

No 61,669

Waldorf settlement sought by Yard

By Stewart Teadler
Crime Reporter

Scotland Yard is negotiating to pay Mr Steven Waldorf damages in an out of court settlement for the injuries he received in a police operation last January, a senior Scotland yard officer said yesterday.

Assistant Commissioner Geoffrey Dear, speaking after the acquittal this week of two detectives on charges involving the shooting of Mr Waldorf, said that a settlement of the damages was "expected quite soon". Discussions have been held between legal advisers for the police and Mr Waldorf but a final figure has yet to be agreed.

During the trial at the Central Criminal Court, Mr Waldorf said he had not been told by doctors of any permanent disability after an attack during which he was hit by five bullets and struck across the head. The court was told he had been critically ill at one point and one injury "was potentially lethal".

There has been speculation that the claim may be as high as £1m, but Scotland Yard would not comment on figures yesterday and Mr Waldorf's legal adviser was not available for comment.

Mr Dear disclosed the possibility of a settlement while speaking on BBC radio yesterday as several Labour MPs made calls for a public inquiry into the circumstances of the shooting.

The Police Federation has promised its members that the present guidelines for the police use of guns would be examined and discussed with the Home Office.

Mr Dear, the head of personnel and training at Scotland Yard, said the shooting, after Mr Waldorf was mistaken for David Martin who was at the time a dangerous fugitive, had sent "a shock wave through the police service".

He said the reaction of policemen to the incident and the case was not "a shoot first, ask questions later policy. It has shocked the police they are much less likely to open fire in similar circumstances".

Mr Dear added that it was unlikely there was anything in the police rules on firearms which needed changing but "it is much a question of selection and training".

He said the policemen acquitted on Wednesday had never apologized to Mr Waldorf because their legal advisers had told them to say nothing. The men are now the subject of an internal police discipline inquiry that is likely to centre on whether they broke orders and rules during the shooting.

Mr Waldorf never made an official complaint to Scotland Yard about the incident.

Chancellor allows no respite in inflation struggle

Mr Nigel Lawson, Chancellor, said last night there could be "no relaxation of the pressure to keep inflation moving down".

Mr Robin Leigh-Pemberton, Bank of England Governor, said failure to keep up the pressure on inflation would damage Britain's prospects.

The Stock Exchange Council took the first step in ending minimum commissions by introducing negotiated rates on overseas securities. (Page 13)

Lord Whitelaw will preside over a "star chamber" Cabinet group charged with reducing the £1,000m public spending overshoot for 1984-85.

By Frances Williams and Peter Wilson-Smith

Mr Nigel Lawson, the Chancellor, last night made plain the Government's unwavering determination to reduce inflation further through tight control of state borrowing and monetary growth.

He told the distinguished audience gathered for the Lord Mayor's banquet in the City of London that there could be "no relaxation of the pressure to keep inflation moving down".

The Chancellor's remarks were strongly supported by Mr Robin Leigh-Pemberton, Governor of the Bank of England, in his first big speech since taking office in July.

"Nothing would be more damaging to our prospects than failure to sustain the improvement in inflationary expectations, so painfully won", he said.

Mr Lawson was optimistic on inflation prospects, scorning predictions that inflation will rise next year. On the contrary, recent indicators suggested a continuing downward path, he said.

The Government's message was: "We mean what we say; and we mean to keep on top of inflation".

The present inflation rate of 5 per cent would have been thought too high 20 years ago and it was too high, the Chancellor said. He repeated the Conservative election manifesto pledge that the Government's ultimate objective was price stability.

Mr Lawson said the picture of the British economy was one of improvement, of falling inflation and renewed growth. World recovery, too, was clearly under way, and the prospects for continued growth next year and beyond looked good, although high interest rates and international debt remained uncertainties.

Mr Leigh-Pemberton said the prospects for growth were better than for years. The international debt crisis was still a preoccupation, while at home unemployment was still edging up and many companies were facing difficulties.

"But we now have low inflation combined with economic recovery and this offers the prospect of sustained improvement for the first time in many years," he said.

On a gloomier note, the Governor admitted that the international debt crisis could take years to solve and there were likely to be more difficult problems ahead.

"A durable and satisfactory solution to the debt problem may take a number of years to achieve, and will require perseverance and success on a number of fronts".

The Governor, who was echoed by Mr Lawson, said firm adjustment policies by debtor countries, sustained recovery in the West and a continuing flow of finance to the developing world were all needed.

But he gave a warning that banks would not be able to lend money at the rate they had in the past. "Banks now need to strengthen balance sheets, liquidity and capital ratios," he said and suggested that borrowing countries encourage a bigger flow of direct private investment to meet their need for long-term finance.

The Chancellor devoted most of his speech, a typical mixture of optimism and severity, to the operation of the Government's monetary and financial policies. He emphasized that he did not intend to change policy objectives. "Our success in reducing inflation and creating the conditions for output growth demonstrates that there should be no change in the overall strategy."

The Chancellor made it clear that the medium term financial strategy (MTFS), which sets declining targets for money growth and public borrowing several years ahead, would still

mark the cornerstone of the Government's economic policy. "The MTFS is alive and well", he said.

The Government would aim to reduce both money growth and state borrowing further "over the medium term". And the Chancellor repeated, for the benefit of Cabinet "wets", that this required "continued strict control of government spending... a task not just for today but through-out this Parliament and beyond."

Mr Lawson did, however, outline some technical changes he is now considering after an internal review of money policy. Contrary to "some ill-informed speculation", there would be no target for the exchange rate nor "any complicated mechanical formula linking it with other indicators."

But he was considering introducing a new narrow money measure - M0, or monetary base, consisting almost entirely of notes and coins in circulation - which recent evidence suggested would be less distorted than broader measures as a guide to decision on interest rates.

Business News, page 13

'Star chamber' will decide the cuts

By Anthony Bevis, Political Correspondent

The Cabinet took only a few minutes yesterday to agree to a "star chamber" procedure under which Lord Whitelaw, the Lord President, will attempt to whittle down the outstanding £1,000m overshoot for public expenditure in 1984-85.

It was said yesterday that Lord Whitelaw would sit with a few other Cabinet colleagues in adjudicating between the demands of the Chief Secretary to the Treasury, Mr Peter Rees, and recalcitrant ministers such as Mr Michael Heseltine, Secretary for State for Defence, and Mr Norman Fowler, Secretary of State for Social Services.

Whitehall sources refused to identify the other members of the committee, but it was said that they were not generally spending ministers. That would make Sir Geoffrey Howe, the Foreign Secretary, Mr John Biffen, Leader of the Commons, and Lord Cockfield, Chancellor of the Duchy of Lancaster, prime candidates for the task.

Before the procedure was nodded through, the Cabinet received an oral report from Mr

Rees. It is also understood that Mr Nigel Lawson, Chancellor of the Exchequer, gave his colleagues an account of the economic and financial situation. There was no discussion of the Treasury's public spending exercise, according to the Whitehall sources.

Mr Rees has managed to bring down initial departmental overruns of £6,000m - first to £2,500m "hardcore" spending - and now down to an outstanding £1,000m which is said to include about £800m divided equally between defence and social services.

It was said yesterday that there was no dispute among ministers, no matter what political jockeying had been going on at the party conference in Blackpool, about the need to stick to the medium-term financial strategy spending target of £126,400m for 1984-85.

A real political battle will take place when Mr Lawson moves into the area of making cuts in the present targets in the hope of achieving tax cuts.

Leading article, page 11

Tougher penalties for big spenders

Jenkin squeezes the cities

By David Walker, Local Government Correspondent

The Government gave notice yesterday that it will squeeze the high spending Labour-controlled city councils harder than ever in the rates settlement for 1984-85.

Mr Patrick Jenkin, Secretary of State for the Environment, announced that he is to penalize overspending councils so severely that several London councils, Liverpool, Manchester and Sheffield may join the Greater London Council and Camden in receiving no rate support grant.

But Mr Jenkin is trying to ensure that rate rises will be low for councils that toe the spending line. He has increased the total money in the grant to £1,800m, £90m more than the previous year.

For councils spending above

their targets, the Government will hold back grants at the rate of 2p per £1 of rateable value for the first 1 per cent overspend, rising to 4p for the second 1 per cent, 8p for the third and 9p for the fourth.

The style as much as the content of this government move is likely to annoy councils. Instead of convening the Consultative Council on Local Government Finance, where municipal leaders are formally represented, Mr Jenkin chose to make his announcement only to council officials who had gone to the Environment Department for a routine meeting.

The Labour-controlled Association of Metropolitan Authorities last night condemned "Mr Jenkin's total contempt for

agreed procedures" and criticized the impact of the penalties on impoverished inner city councils.

The exact effect on ratepayers of the new penalty schedule will be difficult to assess until councils start deciding their budgets. It seems, however, that most of the Conservative counties and many non-metropolitan district will provided they trim their spending, increase rates by about 5 per cent. Some may still be able to reduce rates.

But some Labour councils in London and the cities are likely to refuse to cut their spending to the required level and will face steep reductions in grant: ratepayers will have to pick up the bill.

Navy Harrier crashes near manor house

From a Staff Reporter

A Royal Navy Sea Harrier exploded in flames close to a manor house yesterday, seconds after the pilot ejected to safety. The aircraft, from 899 squadron, on a training flight from the Royal Navy Air Station at Yeovilton, Somerset, in Dorset, slightly damaged a farm building. The pilot was uninjured.

Mr David Allen, a worker at the manor said the plane "just blew up".

The Royal Navy said it would investigate the crash.

Anna Ford settles with TV-am

By David Hewson

Anna Ford settled a legal action against her former employers TV-am yesterday after the company agreed an out-of-court settlement and offered to re-employ her.

The agreed statement read out in court said: "They (TV-am) are pleased to have resolved their dispute with Miss Ford and the clearest indication of the regard they hold for her is that they are willing to re-employ her in some suitable capacity if she is so minded at any time".

But it is unlikely that Miss Ford will return to the breakfast station, which dismissed



her in April.

Both parties agreed not to talk about the dispute as part of the settlement, but it is understood that TV-am's offer of re-employment will not be accepted. It is a way of dissociating itself from remarks



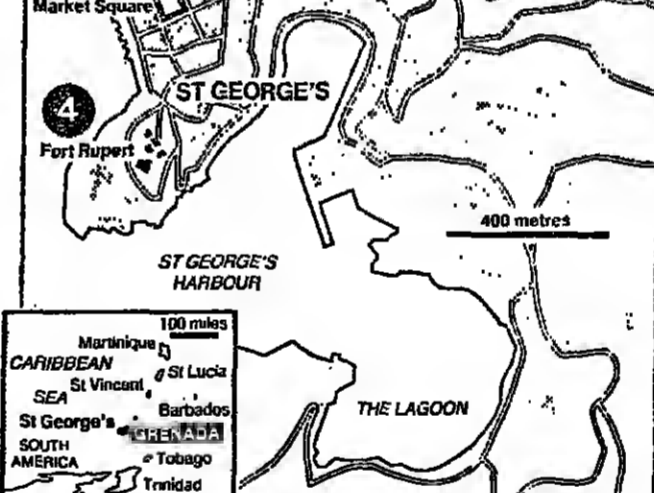
Royal joke: the Queen attending the christening of Princess Theodora, daughter of King Constantine and Queen Anne-Marie of the Hellenes at the St Sophia Greek Orthodox Cathedral, Bayswater, London, yesterday (Photograph: John Voos).

Grenada Army imposes shoot-on-sight curfew

From Jeremy Taylor, Port of Spain

Grenada was under the firm control yesterday of its highly politicized armed forces, after the killing of Mr Maurice Bishop, the Prime Minister, and between five and nine other people, including three ministers, on Wednesday.

A 24-hour curfew was in force and the islanders were told not to leave their homes until Monday, General Hudson Austin, commander of the Army, gave a warning on Radio Free Grenada that anyone violating the curfew would be shot on sight.



- 9.30-10.30am (local time) Oct 18: Thousands surround official residence of Prime Minister, Maurice Bishop, and treat him from house arrest.
- 10.30-12.30: Crowd carry Bishop in triumph towards town centre.
- 1.00: Army arrive, according to some witnesses, fire into crowd and lead Bishop away.
- 1.00: Other witnesses said Bishop and some at crowd marched to Fort Rupert, Army HQ. Soldiers opened fire.
- Army, says Bishop and crowd capture Army HQ, disarm soldiers, and fire on other soldiers sent to reason with them; Bishop dies in exchange of fire.

above the capital, St George's, between 9.30 am and 10.30 am.

Led by Mr Unisoo White-man, who resigned as Foreign Minister on Tuesday, they met only a light military guard which fired warning shots into the air. They stormed the house and freed Mr Bishop and Miss Jacqueline Creff, who had resigned as Education Minister, and took them down the hill into St George's towards Fort Rupert, the old British garrison overlooking the city harbour, where army officers loyal to Mr Bishop are thought to have been detained.

The idea was to free the officers and then march to Radio Free Grenada, where Mr Bishop would address the people for the first time since being placed under house arrest last week after his confrontation with the Central Committee of the ruling New Jewel Movement.

Radio Free Grenada went off the air, however, and as the crowd gathered at Fort Rupert, soldiers arrived in armoured cars and opened fire on the demonstrators.

Mr Bishop, marching at the head of the crowd, was among several injured or killed, and Miss Craft was apparently beaten. Mr Bishop was shot in the leg and taken with several other people to hospital.

Several hours later, between 9.30 and 10 pm, Radio Free

Continued on back page, col 7

TOMORROW

Tout de... After the summit meeting between Mrs Thatcher and President Mitterrand, the cordiale is the entente? Henry Staphoe reports.

Sweet Alan Hamilton buzzes off to discover the secrets of the beekeepers and honey makers.

Sentimental... Roy Strong finds old fashioned romance flourishing among the skyscrapers and motorways of modern Britain.

Journey Proof that you can take a baby on an aeroplane without having a nervous breakdown.

Doctors told of pill change

As a result of studies apparently linking birth control pills with cancer, the Committee on Safety of Medicines has decided to advise doctors that women taking the pill should be prescribed a type with the lowest suitable hormone content. The Department of Health, however, said that it would be unnecessary to interrupt a monthly cycle of treatment. Research links, page 2

Nissan move may clinch deal

Nissan is believed to have revised its plans for a £500m British car plant and the go-ahead may be announced soon. Page 2

Tunnel snags

The Channel tunnel could be entirely privately financed, but companies involved would seek guarantees which the Government is not prepared to give. Page 2

That should buy an awful lot of wine.

ANNA'S MONEY

Budget saving

The European Commission is adopting tough good management measures to save as much as £283m from this year's EEC budget. Page 5

Reagan pledge

President Reagan has pledged that the US will stand firm on the Middle East, and deploy nuclear weapons in Europe on Schedule. Page 5

Scots oil slick

A thirty-mile oil slick off the west of Scotland is affecting the islands of Coll and Tiree, where 150 dead seabirds, mainly guillemots, have been washed ashore.

Anger over bid

The bid for the Eagle Star insurance company by Allianz, of West Germany, has angered British insurers who suffer severe restrictions on their operations in West Germany. Page 13

Leader page 11
Letters: on US foreign policy, from Sir John Whitmore; custodial sentencing, from Professor N Walker, and Mr P J Richardson
Leading articles: Public spending: Grenada; Transport: Features, pages 8,10
Question marks over battlefield nuclear weapons: The future of the Daily Mirror; Britain's Falklands opportunity; Spectrum: How the PLO fall apart; Friday Page: Remembering Gerard Hoffing; Medical Briefing
Obituary, page 12: Mr Maurice Bishop; Professor Eric Casson.

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سكوتلانداي الالاحيل

Commentary

Geoffrey Smith

Mr Eric Varley's decision to stand again for the Shadow Cabinet is not only a loss to the Labour Party in Parliament. It is also a warning of a more general danger that faces a party that has been out of office for four years and seems bound to have at least another four years in the wilderness...

Channel tunnel snags remain despite private cash promise

By John Lawless and Michael Baily

The Channel tunnel could be built without government cash help, a study by five banks is to say. The full report, commissioned by the Department of Transport in June last year, will be with the British and French governments and the European Commission early December...

The first is that they would not lose money if it were cancelled part-way through construction for non-commercial reasons. The second is that they should have some 'assurance' against revenue shortfalls...

Kinnock says Tories 'sacrificing industry'

By Philip Webster, Political Reporter

Mr Neil Kinnock yesterday exploited Cabinet differences over the Government's economic strategy with an attack on the 'zealots who are prepared to sacrifice industries, services and people in obedience to their pre-Churchillian obsessions'...

Concession may clinch Nissan deal

By Edward Towse, Industrial Correspondent

Nissan of Japan is believed to have redrawn its plans for a £500m British car manufacturing plant to defuse opposition from within the company...

Whip ballot

Mr Michael Cocks finished well ahead yesterday in the first ballot for the post of Labour chief whip...

The Opposition, after being refused government time for a debate on the issue, has chosen to hold one in its own time, next Thursday...

It is usual for the Prime Minister to speak in any debate in which the Leader of the Opposition is participating, but it was disclosed yesterday that Mr Norman Fowler, the Secretary of State for Social Services, would be putting the Government's case...

Shutler shares chess lead

From Our Chess Correspondent St Peter Port

At the end of round 5 in the Lloyds Bank Guernsey Festival of Chess at St Martin's Hotel, St Peter Port, the lead was still shared by B. Carlier (Netherlands) and S. J. Shutler (England) who each have four points and one unfinished game...

Tintin and Asterix in 'racist' trouble

By Stephen Goodwin

Tintin and his dog Snowy (right) and Asterix the Gaul, the cartoon heroes, are facing charges in the London Borough of Brent of racism and sexism.

At the borough's Town Hall library, Mr Christopher Dunn, a children's book specialist, pointed out the dilemma of librarians about the 'highly offensive' image of black people portrayed...



Retrial for man on rape charge

The trial of a man who claims that he discovered pornographic photographs featuring a leading British politician, a detective sergeant, and a woman who has two children, was halted at the Central Criminal Court yesterday...

Autumn cheer as prices for fine wines drop

By Geraldine Norman, Sale Room Correspondent

Good news for wine bibbers came from Christie's yesterday as prices for fine wines dropped back from their summer levels. Among the 1975 clares, Lafite was down to £260 a case from £600 in July...

So it seems probable either that there will be a straight exchange of jobs between Mr Hattersley and Mr Shore or that somebody like Mr Gerald Kaufman will be given one of these posts...

Christie's have a wine sale scheduled almost every week between now and Christmas. In particular, the good 1975 and 1976 vintages are being sold in large quantities to pay for stocks of 1982. Those wines, not quite ready for drinking, are particularly good buys...

On Wednesday Sotheby's risked their biggest jewel sale since the diamond market went shaky in New York. The diamond market proved strong although there were still weak areas and 29 per cent was left unsold with a total of £5.6m.



Entente cordiale: President Mitterand with Mrs Thatcher on his arrival at RAF Northolt, west London, yesterday for a 24-hour visit to discuss nuclear defence policy and reforms of the EEC.

New threat to phone services

By David Felton, Labour Correspondent

Telephone services face disruption after a threat by switchboard operators to take industrial action in support of the Post Office Engineers Union's campaign against the sale of British Telecom...

The men had, on union instructions, signed a good behaviour pledge and because they refused to abide by the terms of the agreement, British Telecom has said it will dismiss them at 5 pm on Monday...

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Unions combine to fight pit closures

By Paul Routledge, Labour Editor

Leaders of all three unions drew up a joint strategy yesterday for opposing pit closures and manpower reductions to put to the National Coal Board and Government...

Researchers link the Pill with Cancer

By Clive Cookson, Technology Correspondent

The strongest evidence so far linking oral contraceptives with cancer is published by two separate research groups in the Lancet today.

The Department of Health's Committee on gynaecological cytology, which saw an advance copy of the Oxford Report, recommends additional cervical smears for users and former users of oral contraceptives.

Closed shop challenge by driver

From Our Correspondent, Cambridge

An industrial tribunal in Cambridge was told yesterday that its decision in a closed shop test case could affect the future of trade union bargaining.

Richard Shackcloth, aged 27, of Purwell Lane, Hinxton, Hertfordshire, was dismissed as a delivery driver by a subsidiary of the Littlewoods Mail Order firm, Home Delivery Service, of Hitchin, when he decided he wanted to leave the Union and pay his 45p-a-week dues to the NSPCC.

Cut in Civil Service on target

By David Cross

Mrs Margaret Thatcher seems likely to be able to keep her promise to reduce the size of the Civil Service to 630,000 by next April.

Mr Shackcloth claims that when he joined the closed shop firm his contract obliged him to join a union or, if he held strong objections, to pay the equivalent of the union subscription to charity.

Advertisement for The Spectator magazine, featuring a table of staff changes and subscription information.

Dimbleby explains print plant closure

By Paul Chmielecki

Today's edition of the Richmond and Twickenham Times, the first for nine weeks, carries a statement from the Dimbleby Newspaper Group giving its explanation of the National Graphical Association (NGA) dispute that had led to the closure of the company's printing works and had halted the newspaper's production.

The statement from Mr David Dimbleby, chairman and managing director of Dimbleby and Sons, claims that although the NGA was aware of the damage being caused during the strike, which centred on the proposed redundancy of three printing workers, it ignored urgent requests for talks aimed at resolving the issue.

The company said it first approached the NGA about the redundancies last February and subsequently reduced them to two in an attempt to compromise.

Before these fell due on August 24, the machine minders went on strike.

The Sunday Journal, intended to be Britain's first national free newspaper, has ceased publication.

The Oxford-based company which publishes it has announced that a strike by 22 members of the NGA had led it to 'no alternative', but to abandon its Oxford and Chiltern editions, with the loss of between fifty and sixty jobs.

Vertical text on the right edge of the page, including 'Sync to a chur', 'Family and the', 'at sette', 'Alleged rap victim held for contempt', and 'creeks op'.

Synod to debate proposal to allow remarriage in church after full inquiry

By Clifford Longley, Religions Affairs Correspondent

Details of the recommended procedure to be used before divorced persons are allowed a second marriage in the Church of England are published today.

The proposals will be put before the General Synod for approval next month. However, there are indications that opponents of remarriage in church will attempt to defeat them in a last-ditch effort to maintain the church's traditional opposition to divorce.

The proposals, which if agreed will appear in the form of a handbook, make it clear that the obtaining of a dispensation from the bishop for a second church wedding will be a formidable business. An extensive and thorough investigation by the clergyman concerned would be conducted to establish:

- Whether one of the couple was responsible for the ending of a previous marriage;
- If so whether there is "true repentance";
- Whether sufficient efforts were made to save the previous marriage;
- Whether former wives and children of former marriages are being properly supported, compliance with court orders not necessarily being sufficient;
- Whether the present applicants now understand and accept the obligations of church marriage, including its permanence;
- Whether the first marriage

was really a Christian marriage at all, or whether it could be deemed null and void.

The answers to those questions will go to a panel of advisers, who will recommend to the bishop whether to grant permission and declare the previous vows no longer in force. In cases of refusal there will be no appeal, and the couple will not be entitled to know the reasons.

The proposals make a substantial concession to those who opposed the decision in principle last July, by including an investigation into the possibility of de facto nullity. At the Synod's debate, the Anglo-Catholic group made clear that nullity, in the sense understood in the Roman Catholic churches marriage discipline, was the only ground on which they could permit remarriage.

It is understood that in drafting that section, the Anglican working party sought and received advice from priests of the Roman Catholic marriage tribunal in Westminster.

The section, the draft document states, should be dealt with by all clergy conducting such inquiries, and not only those who believe remarriage should be confined to cases where nullity can be alleged.

The clergyman should inquire, the document suggests, whether there was a serious defect of intention in one or both partners to the former marriage, and whether consent to that marriage was freely and fully given.

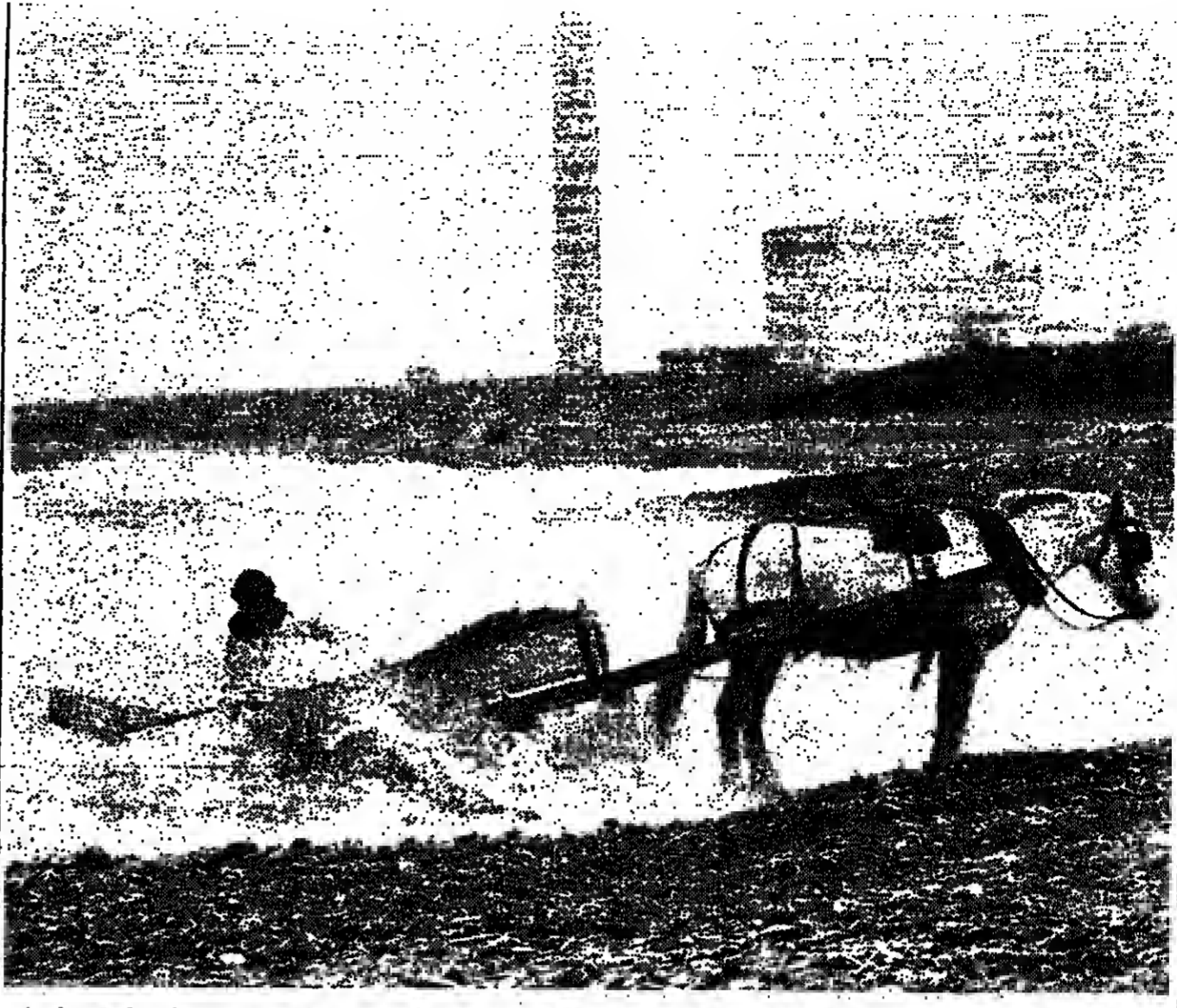
The previous vows should not be called in question without clear evidence, "but by actions and behaviour, as well as by statements and agreements, one or both parties to a marriage may have revealed absence of intention to achieve a marriage according to the church's teaching."

The diocesan synod of Salisbury has already declared its continuing opposition to remarriage, and elsewhere in England meetings have taken place since July to support that view.

It was in July that the General Synod agreed, after more than a decade of debate and indecision, to permit remarriage in certain circumstances. It asked for detailed proposals for implementing this. It is those that are now published.

The synod will also again debate the proposal, last defeated about three years ago, that women priests ordained in the Anglican Communion overseas should be accepted as visiting priests on the same terms as men.

The synod is also likely to debate the stationing of cruise missiles in Britain, although such a debate would require the synod to agree to alter its own agenda.



Ancient and modern: A sea coal collector and his horse gathering fuel near Lynemouth, Northumberland. The coal will be used by the power station behind, which drives the modern Alcan smelter nearby. (Photograph: Stuart Bonney)

Pop stars on apartheid blacklist

By Richard Dowden

Elton John, Shirley Bassey, Leo Sayer and the pop group, Hot Gossip are named on a list of musicians and actors who have visited South Africa recently which has been drawn up by the United Nations Centre Against Apartheid.

The list, which is to be published in New York on Monday, is also understood to include the Beach Boys and Frank Sinatra.

One of the people involved in drawing up the list said that he hoped that countries would apply the same sanctions to those people as had been applied to sportsmen who went to South Africa and refuse their visas.

The list which is also understood to contain the names of Spike Milligan, Marti Caine, Christian Blackshaw and Peter Sarsted, contains the names of all those musicians and artists who have visited South Africa since January 1981. Most of them have appeared at Sun City the vast leisure and entertainment centre in the Bophuthatswana homeland.

But one of those named, the composer and pianist Donald Swann, went as a guest of the Christian Fellowship Trust which is connected to the Christian Institute, an anti-apartheid body founded by Dr Beyers Naude which was banned by the South African Government in 1977.

Family life and the jet setters

By a Staff Reporter

The image of the jet-setting American business man or woman who has not time for the family is belied by an international survey which shows that American executives are more involved with their families.

According to the survey of 565 executives' spouses from 13 countries, 60 per cent of Americans who replied felt their partners did their fair share of domestic chores and 86 per cent did their fair share of "parenting". British executives scored lowest in this area with only 58 per cent doing their share of "parenting", according to their marriage partners.

The Americans also seemed most involved in their partners' careers, with 67 per cent saying they were "closely" involved.

International Management magazine says "the survey presents a picture of the executive's spouse as somewhat overburdened with the domestic details of life, interested in the executive's career, a useful and responsive sounding board for problems, grateful for any help with household chores, and generally content, except for the ever-present threat of relocation."

Only 12 per cent of those who replied felt that their partner's job was causing problems in the marriage, but 45 per cent blamed it for marital stress, and 34 per cent said it caused other stress.

Nearly half the British spouses said the job caused difficulties with raising children.

Nearly three-quarters of the spouses and 82 per cent of the British respondents did not feel they had sacrificed their careers for their partners'. But 80 per cent of the British people who felt they had made such a sacrifice did so with regrets or very reluctantly.

The complete survey is available from Jennifer Vint, International Management, McGraw-Hill House, Maidenhead, Berks, SL6 2QL (115).

Ford tells dealers to cut service charges

By Clifford Webb, Motoring Correspondent

Ford is urging its dealers to cut their prices for service and repair work to win back substantial business now being lost to "quick-fit" specialists, backstreet garages, and do-it-yourself motorists.

A two-year market survey has shown that only one in three owners take their cars to a franchised dealer. The remainder said that price and convenience were the deciding factors in using heavily advertised "quick-fit" specialists for exhausts, brake, and clutch replacements, and high street shops for do-it-yourself parts purchases.

The increasing drain on dealers' finances has come at a time when Ford, as with all the large car companies, has doubled the interval between service

es in recent years while making the actual work of servicing much easier.

Dealers were previously able to offset the fall in profits as a result of the cut-price war in new car sales with servicing.

Ford is to launch a "Check Ford First" advertising campaign and dealers, who want help with local advertising and promotion are being told: "You will have to trim your profit margins on both parts and labour charges."

Ford, along with Austin-Rover, and Vauxhall, will benefit from a 20 per cent increase in the number of "British" cars bought next year by Dial Contracts, which claims to be the market leader in company car leasing.

Law Society conference Conflict over conveyancing

From Peter Evans, Home Affairs Correspondent, Paris

Moves by building societies to obtain powers to offer a cheaper conveyancing service pose a serious threat to the continuing viability of private practice.

Mr Christopher Hewitson, president of the Law Society, told its national conference in Paris yesterday.

The societies wanted the power to do conveyancing, estate agency and insurance. There was "a considerable threat from cartels of building societies forcing the price down and doing what they like then they get rid of us".

But Mr David Tench, legal officer of the Consumers Association, said the association has promoted a private member's Bill, now before Parliament, to open the way to licensing "conveyancers" in competition with solicitors. The Bill is being presented by Mr Austin Mitchell, Labour MP for Great Grimsby, and will have its second reading on December 16.

There were many in the profession who would fight for monopoly to the last ditch. "Why don't we concede the principle and fight for the work?" Solicitors must show that they can do conveyancing best.

Answering the point that, without conveyancing unincorporated legal services could not be maintained, Mr Tench said that conveyancing was too expensive and not efficient, while justice was obtained "on the cheap". "There is no case for the house buyer to subsidize litigants."

Each area of the service must be self sufficient and each member of the public should pay for the service received, Mr Tench said.

Coronation Street actor dies

By David Hewson

Mr Peter Dudley, aged 47, who played Bert Tilsley in *Coronation Street*, died yesterday in the hospital where his television wife, Lynne Perrie, was taken with a heart condition on Wednesday.

Mr Dudley was written out of the programme in July because of chronic heart trouble.

Mr Mervyn Watson, the programme's producer, said: "We are absolutely stunned. He will be sadly missed because he made a very wonderful contribution to the programme."

Each area of the service must be self sufficient and each member of the public should pay for the service received, Mr Tench said.

Throwing light on bulb prices

The price of a standard 100-watt light varies between 29p and 69p, a National Federation of Consumer Groups survey says.

The best buy was the British Home Stores' double-life bulb, which cost 18.35 per 1,000 hours of life.

The federation gives a warning that bulbs marked "for longer life" or "extended life" are not double-life bulbs, which should be marked "2,000 hours".

Police Constable Robert Joll, aged 32, of Sketty, Swansea, was dismissed from South Wales police force yesterday after being found guilty of punching a handcuffed prisoner in the face. He was fined £400 by Merthyr magistrates and ordered to pay £131 costs.

PC dismissed

Police Constable Robert Joll, aged 32, of Sketty, Swansea, was dismissed from South Wales police force yesterday after being found guilty of punching a handcuffed prisoner in the face. He was fined £400 by Merthyr magistrates and ordered to pay £131 costs.

Four armed men, one disguised as a woman, escaped yesterday with nearly £50,000 in payroll moneys yesterday. They threatened security guards in Birmingham who were delivering the money to a firm in Perry Barr.

Alleged rape victim held for contempt

James King, aged 27, of King's Cross Road, Dundee, was cleared by the High Court in Dundee yesterday of assault with intent to rape. His alleged victim, aged 27, was detained in custody after being convicted of contempt of court.

On Wednesday the alleged victim refused to say anything because she and King were friends.

The presiding judge, Lord Wylie, deferred sentence until November 3 at the High Court in Edinburgh, describing it as "a most unusual case". The woman was detained in custody for social reports.

Fiat says Which? car survey was biased

A recent survey by Which? that is highly critical of Fiat cars, was attacked yesterday by the Italian company's chief executive in Britain as "blatantly biased" and "unrealistic".

Signor Pietro Quaglia, the managing director of Fiat Auto UK, told *The Times*: "I have never seen a report which, while pretending total objectivity, condemns in such a biased and generalized way making damaging statements on the basis of unrealistically small sample sizes and the subjective assessment of models now out of production."

He said that photographs of five of the six Fiat models used to illustrate the report were of the latest models although findings and comments were based on earlier models and in one case referred to "a different car altogether".

Mr Quaglia's complaints were contained in a letter to *The Times*. Last night the Consumers' Association, which owns *Which?* magazine, declined to comment unless it received a copy of the letter in full. Mr Quaglia refused to release it "because we are considering what further action we may take".

Complaints system attacked

The way the Law Society handles complaints against its members is criticized in the leading legal magazine *New Law Journal* today.

Mr Walter Merricks, a solicitor, has written in the *Journal* about a barrister's fight to recover £800 in overdue fees from a solicitor and the Law Society's decision to take no action.

The *Journal* had earlier called for an inquiry into the society's complaints procedure over the case of Mr Glanville Davies, who overcharged a client by more than £100,000.

The society is alleged to have failed to investigate a series of complaints against Mr Davies, and the High Court is to rule on who should pay the costs of the client's action to get Mr Davies struck off.

In the case reported by Mr Merricks today, the fees had been due to the barrister for four or five years when he threatened to report the solicitor to the Law Society.

The solicitor sent the money, but threatened to withdraw all work from all members of the barrister's chambers.

The barrister referred the issue to the Law Society, Mr Merricks says, but he was told it was not appropriate to take any disciplinary action.

Embryo 'doing well' after being deep frozen

By Pearce Wright, Science Editor

A description published yesterday of attempts by one of the world's leading test tube-baby teams to produce the first birth from embryos that have been deep-frozen before being implanted is certain to cause a further dispute in this emotionally charged area.

In addition to explaining how an embryo is preserved at -200C, thawed, then transferred to an infertile woman, the doctors also discuss the ethics of deep-freeze storage.

They say that if the survival periods of frozen embryos approach the number of years observed in other animals difficulties may arise if parents disagree on their eventual destination. Patients may be asked to include in their will their preferences concerning the destination of embryos in case of death.

The options may include the donation of embryos to couples where both husband and wife are sterile.

A paper by Dr Alan Trounson and Dr Linda Mober, of the department of obstetrics and gynaecology at Monash University, Melbourne, Australia, in the latest issue of *Nature* describes the first attempts involving 15 patients.

One pregnancy was established and lasted 23 weeks before ending in still birth in June because of an infection of the womb.

The same method has been repeated, and a second 12-week embryo, is said to be progressing normally.

In the preparation for fertilization outside the womb, oocytes are treated with hormones before eggs are removed from the ovary.

The preparatory treatment increases ovulation, and five or six embryos may be produced.

Mortality rate down

Social improvements and medical advances have led to a big fall in still births and infant deaths, the Greater Glasgow Health Board said yesterday.

In under 10 years deaths of children in the first week of life, and born to women living in the area covered by the board have fallen from 23 in every 1,000 to 10.4 a 1,000.

British pupils 'lag in maths'

By Nick Wood

British children of below-average ability trail a full two years behind their West German counterparts in mathematical attainment, according to a detailed new comparison of education standards in the two countries.

The study shows that examination results achieved by children in the bottom half of the ability range are extremely poor compared with those obtained in the West German *hauptschule*, equivalent to the old British secondary modern school.

Two of three school-leavers in England and Wales failed to get at least a Certificate of Secondary Education grade five in a core of three subjects by English, mathematics and science - but nine out of ten West Germans were awarded their leaving certificates, for which they had to pass nine out of ten subjects.

The findings, come from a study by Professor Sig Pruis and Dr Karin Wagner, and are contained in a pre-publication discussion document issued by the National Institute of Social and Economic Research.

Tractors to suit small farmers

By John Young, Agriculture Correspondent

Tractor manufacturers, who for several years have been introducing larger and larger models as grain averages have expanded, are turning to the needs of small farmers.

The extremes of scale are represented by the Deere 8850, pictured above, manufactured in the United States, which generates 352 hp and is claimed to be the largest and most powerful in the world, and the same company's new 1140 LP (right). This is only 56 hp and is intended primarily for livestock and dairy farmers.

Mr Douglas Walker, managing director of John Deere Ltd, says that small cost-conscious customers make up 80 per cent of the market and may have been deterred previously by the company's up-market image.

The 1040 LP, made in Germany, costs £8,736, compared with £78,300 for the 8850.



Liberal Application

Apply yourself to Jo Grimond's question in the Great Spectator Car Chase Competition and you could win the mint condition 1934 Daimler limousine that's first prize.

The Spectator
75p weekly

Greeks open rival school

By David Cross

The socialist government of Greece is to open a nursery and primary school in Holland Park next week to rival a private Greek school in London, which has its former King Constantine as one of its leading trustees.

The new school, which will occupy premises in a building next to the Greek Embassy, is expected to enroll between 40 and 50 children between the ages of four and twelve.

The opening of the state-financed school comes as a dispute between the Greek Government and the Hellenic College in Pont Street, Knightsbridge, over the former king's support for the school.

The government in Athens objected to some of the teachers at the college continuing to use royal titles to address the former monarch's three teenage children, Paul, Nicholas and Alexia, in their classrooms.

Judge in air disaster inquiry loses fight to clear his name

By David Cross and William Reeves

A former New Zealand High Court judge, whose criticism of those involved in his country's worst aircraft disaster resulted in his resignation, yesterday lost his final attempt to clear his name.

In a 30-second hearing of the Judicial Committee of the Privy Council, New Zealand's highest court of appeal, Lord Diplock announced that he and four other Law Lords would "humbly advise Her Majesty that the appeal ought to be dismissed".

Mr Peter Mahon, who led a Royal Commission of inquiry into the 1979 crash of an Air New Zealand DC-10 into Mount Erebus in the Antarctic, had asked the Privy Council to restore his costs order against the airline, which had been set aside by the New Zealand Court of Appeal.

Lord Diplock said that the judge had wrongly accused Air New Zealand of rechristening "a litany of lies" in its evidence about the crash in broad daylight in which 257 people died.

costs order based on his finding of "a predetermined plan of deception" by airline staff.

He added that the Privy Council's costs decision was intended to reflect "their Lordships' view that the time for bitter feelings is over", although nothing could console the victims relatives.

Nevertheless, yesterday's 38-page ruling by the Privy Council is unlikely to be the last word on a case which has aroused more controversy than the original air crash. Mr Mahon, who insisted as one of the conditions for his resignation that the New Zealand Government should pay the bill for his appeal to be referred to London, is reported to be writing a book on his experiences and his campaign to clear his name, which provoked arguments with senior Air New Zealand executives and with Mr Robert Muldoon, the Prime Minister.

In his report into the disaster which led to his resignation, he said: "The palpably false sections of evidence which I heard could not have been the result of mistake or faulty recollection. They originate, I am

compelled to say, in a predetermined plan of deception.

They were very clearly part of an attempt to conceal a series of disastrous administrative blunders and so... I am forced, reluctantly to say that I had to listen to an orchestrated litany of lies."

Mr Mahon's conclusions were based principally on the allegation that new direction coordinates had been fed into the aircraft's flight computer without the pilot's knowledge. His order that the airline should pay NZ dollars 150,000 (about £66,000) towards the cost of the inquiry prompted the resignation of Mr Morris Davis, the company's chief executive, who said that he hoped that Mr Mahon's "irresponsible rhetoric will haunt him for the rest of his life".

Mr Muldoon, who supported the airline, maintained that some of the findings reached by the judge were not supported by the evidence. "As far as his 'litany of lies' is concerned", Mr Muldoon said, "I can see nothing in the report to support that comment." Law Report, page 6



Homecoming: Relatives and children welcoming some of the 66 political prisoners released yesterday in Argentina. They were said to be the last of more than 5,000 imprisoned in the mid 1970s.

Big Soviet offensive launched in Afghanistan

From Our Own Correspondent Delhi

A major Russian offensive is under way in Afghanistan, according to Western diplomats here. Soviet troops as well as soldiers of the Moscow-backed regime launched a number of big ground operations in seven provinces in recent weeks.

The provinces include Herat and Kandahar in the west and south, Kabul and the provinces to the north of it, Faryan and Laghman as well as Baghlan and Samangan north of the Hindu Kush.

The heaviest reported activity has been in the southern Shomali Valley only few miles outside Kabul, where the small town of Istalef has taken a battering from Russian tank cannon and artillery, as well as from MIGs and helicopter gunships.

The town is famed for its lapis lazuli pottery, but recently has been the scene of fighting among two factions of the mujahidin guerrillas. Because of the feud the Afghan secret police, the Khad, have been able to prepare lists of guerrilla houses in the town and Soviet troops have been calling on houses on the list.

According to a refugee from the town who is quoted by a Western embassy, when the soldiers arrive they pour petrol into each room of the house and then set a torch to it.

Several sources say that four in every 10 houses in the town have been destroyed, and one told Western diplomats that you can smell rotting bodies buried in the rubble from far away.

Other sweeps are being carried out west and south of Herat city, where regime troops have suffered badly recently. The 17th division of the Afghan Army has been deployed on the operation, with apparently only a few troops left behind in the city to guard government buildings.

After recent attacks on convoys south of the city, the partial destruction of a dam to the west, and attacks both inside the town and on the road to the airport, the Government has been trying to relieve the pressure by building a series of fortified posts along the road leading to Islam Qala on the border with Iran.

Opposition blamed - then asked to help Mrs Gandhi's olive branch

From Michael Hasalya, Delhi

Garlanded with cardamom seeds, and draped in a brilliant yellow sari, Mrs Indira Gandhi gave up inertia yesterday to the growing campaign to make her appear the only Indian politician capable of leading the country through the next five years.

With her status as an international statesman established by her chairmanship of the Non-Aligned Movement, reinforced by her descent on the United Nations General Assembly for a mini summit, and shrilly to be consecrated by the commonwealth heads of government meeting in Delhi, she is now turning to the domestic political scene.

At the weekend she gave a press conference which lasted for more than two hours during which she dealt almost exclusively on internal affairs, attacking by opposition, and virtually blaming them for the unruly state of parts of the country.

Yesterday however, she held out the olive branch of peace to them urging them to forget their political differences and to cooperate with the Government.

12 more die in Sind village clash

From Hasan Akhtar Ismaahad

Twelve people were reported killed in an armed encounter between police and villagers at Lakhot Jatoi, a village on the national highway in Newwashed district of Sind which has been at the centre of many anti martial law clashes resulting in scores of deaths since August 14.

The official news agency described the clash as an operation "to eliminate concentrations of Dacoits and lawless elements" and said that only one "armed civilian" died.

The English-speaking newspaper *Muslim* however, gave the figure as 12, and said several others were injured. It said three frontier policemen who were seriously hurt were taken to hospital.

The official report said police used tear gas and fired after the Dacoits refused to surrender and fired on the police, wounding four of their men. About 100 arrests were made and several weapons seized.

Moi frees two more Kenya detainees

From Charles Harrison, Nairobi

Last week two other detainees - a lawyer, Mr John Khaminwa, and Professor Al Amin Mazrui - were freed, and the former vice-president of Kenya, Mr Oginga Odinga, was freed from an order restricting him to his house in western Kenya.

Another eight Kenyans are still in detention, but President Moi has given an assurance that their cases are regularly reviewed.

Amnesty International and other organizations have been pressing the Kenya Government to free the detainees.

Brazilian wages decree imposed

By Our Foreign Staff

President Joao Figueiredo of Brazil has issued a new wages decree after Congress threw out a previous one to limit pay rises.

Just before the Congress voted he invoked emergency powers in the capital to curb protest.

The vote went 260-3 against the Bill, which would have limited all rises to 80 per cent of the official cost-of-living index.

Scores of people in a country where inflation is running at anything between 120 and 200 per cent, had been camping out in protest for days.

The Bill was a crucial part of a programme agreed with the International Monetary Fund to help to rescue Brazil from its \$60bn foreign debt on which it owes about £1.3bn alone in overdue interest payments.

The President, faced with Congress's refusal to ratify the Bill, immediately issued his new decree which goes some way to meet opposition demands from rebels within the government party (the PSD Social Democratic Party) and the opposition PMDB Brazilian Democrats Party and the other small parties.

The new decree evidently will allow low wage earners earning less than about £70 a month

Money target

The key parts of the IMF-agreed programme are:
● Seeking down inflation to a monthly rate of 2.5 per cent by the last quarter of 1984
● Cuts in government spending to reduce the public sector deficit as a proportion of output from 6 per cent in real terms in 1982 to 2.7 per cent this year and a small surplus next year
● Further measures to improve the balance of payments through import cuts and higher exports. Brazil is expected to increase its trade surplus by \$0 per cent to \$6bn in 1984 and reduce its current account deficit to \$4bn.

risers keeping pace with the cost of living index. The higher paid, however, will get rises below the index rate.

The Government, which is to try to negotiate the new decree through Congress, hopes that it will meet the approval of the IMF.

The state of emergency in the capital prohibits public meetings, allows detentions and raids on people's homes without a warrant and restrictions on unions and professional associations.

The measures enforceable by the local military command for 60 days expressly do not include censorship but they are clearly designed to put pressure on Congress to think carefully before rejecting the latest decree on wage rises.

The measures needed, according to the Government, to isolate Congress from "agitators" came as an surprise and many senators and deputies had been expecting worse.

Colombo judges overturn ruling on loyalty oath

From Donovan Moldrich Colombo

A nine-judge bench of the Supreme Court yesterday held by seven to two that they and the judges of the Court of Appeal had at no stage ceased to hold office.

General had ruled in September 8 that the judges had given up office by failing to take an oath disavowing separatism before the President of Sri Lanka, who had appointed them.

The judges had taken their oaths before each other. As a result of the Attorney General's ruling, the Supreme Court and Court of Appeal were closed for a week and armed guards were posted at the judges' chambers. The judges were able to resume their duties only after they took the oath before President Jayewardene who then announced in a press statement that the judges had been "reappointed".

When court hearings were disrupted the Chief Justice, Mr Neville Samarakone, and four other Supreme Court judges were hearing an appeal by the publishers of the *Saturday Review* against its closure by the Government. When hearings were resumed Mr S. Nadesan, QC, appearing for the *Saturday Review* argued that the judges were in order in taking their oaths before each other.

Housing cut 'will cost jobs'

By David Walker, Local Government Correspondent

House-builders yesterday described the Government's cut in home improvement funds as "devastating" and predicted up to 30,000 redundancies as a result.

The National Home Improvement Council, which represents manufacturers of building materials, said that repairs were very labour intensive and the Government had

declared effectively a freeze on housing improvements until 1985.

The Building Trades Employers' Federation said that there would be a substantial increase in the 400,000 workers already laid off.

City councils said that the decision to cut the Exchequer subsidy for home improvement grants and to cut their advances

would lead to further deterioration of the 5.2 million homes in England built before the First World War.

The Association of Metropolitan Authorities has calculated that it will take 900 years for the existing stock of houses in Britain to be replaced, assuming a useful life of about 60 years for each home.

Classroom reform urged by ICI man

From Lucy Hodges, Education Correspondent, Newmarket

The examination system and what children learn in schools were criticised yesterday by Mr Bob Finch, schools liaison officer for ICI, who said that without change the country would pay a heavy price.

Reform of the system was being blocked by parents and politicians, who had a touching, faith in O levels, he told a training conference for deputy heads, organized by the Cambridge Institute for Education in Newmarket.

The curriculum was too narrow and children should not be taught in the present "boxes" of subjects, he said.

The examination system was unsatisfactory because it labelled most children as failures and was in any case, inefficient at what it attempted to do.

Mr Finch said that employers were critical of the present system. They were often much more forward-looking than the education world, and certainly much more so than they were given credit for, he said.

Parents were the key to change and had to be involved schools on a more regular basis. Conceding that it was diffi-

Whisky case hearing adjourned

The hearing of a case in which a Crown Court judge and a secondhand car dealer are accused of attempting to evade customs duty on cigarettes, tobacco and liquor was adjourned by Ramsgate magistrates in Kent yesterday.

Neither the judge, Keith Bruce Campbell, aged 67, of King's Bench Walk, Temple, London, nor Alan Raphael Foreman, aged 45, of Parkside House, High Street, Wimbledon, south west London, was present.

They face three joint charges under the Customs and Excise Act, 1969.

The two men are accused of being knowingly concerned in the fraudulent attempt at evasion of duty chargeable on 9,460 cigarettes, 500 grammes of tobacco, a litre each of vodka, gin and Drambuie and 125 litres of whisky on August 21.

They are also charged with failing to make report by notifying a yellow flag after crossing the limits of the customs port of Ramsgate, and failing to deliver the relevant customs document to a customs officer.

Campaign against cruise CNL expects 200,000 on march

By a Staff Reporter

The Campaign for Nuclear Disarmament is expecting more than 200,000 supporters in central London on Saturday to launch the final stage of its struggle to keep cruise missiles out of Britain.

The protesters, who will arrive in more than 400 chartered coaches and 40 special trains, will take part in two marches from the Victoria Embankment to Hyde Park, accompanied by music and street entertainers.

The day-long protest will culminate in a rally in the park, where speakers will include such stalwarts of the peace movement as Mr E. P. Thompson, the historian, Mr Bruce Kent, general secretary of CNL, and Bishop Trevor Huddleston, president of the National Peace Council, as well as Mr Neil Kinnock, leader of the Labour Party, and Mr Paddy Ashdown, the Liberal MP for Yeovil.

Mr Kent has said that the scale of the demonstration will make it clear to the Government that it had not won the argument about the deployment of cruise missiles in Britain. The issue had hardly come up during the election campaign "except in the most crude propagandist fashion."

He has conceded, however, that he is less hopeful than he was at the beginning of the year of persuading Britain and other Nato governments to abandon cruise and Pershing missiles.

The main hope lay in West Germany where the scale of this week's demonstrations showed the "extremely fluid" state of public opinion.

If, however, missiles are placed in Britain, the peace movement would make it "extremely difficult" for them to be deployed beyond the confines of their bases.

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Weathermen blamed for ships trapped in ice

From Richard Owen, Moscow

Moscow yesterday began to count the cost of the Arctic ice emergency. *Pravda* said that the crisis need never have arisen. In an unusually frank analysis, the newspaper blamed incompetent weather forecasting and the antiquated Arctic cargo fleet.

Pravda disclosed that some 90 vessels had been trapped in the ice three weeks ago — more than previously thought — but only 50 had become totally immobilized. Of those, 35 are still trapped. One cargo ship has sunk and some are sinking as the ice crushes their hulls. But others been led safely by icebreakers.

Phone and dry: A driver in Lubbock, West Texas, telephoning for help when he was stranded after 6.1 in of rain fell in 24 hours.

Soho What?

If you can answer writer and Soho habitué Jeffrey Bernard's question in the Great Spector Car Chase Competition you could win the mint condition 1934 Daimler limousine that's first prize.

The Spector

75p weekly.

Competition runs from October 21st for eight weeks.

Handwritten notes: chad/001350

Vertical text on the right edge: Rea, East, Lebanon to talk, Bonn wa, of Soviet blackma, Androp

Reagan pledges to stay course on Middle East and Euromissiles

From Nicholas Ashford, Washington

President Reagan, exuding confidence and looking increasingly like a man bent on seeking reelection, has pledged that the US will maintain a firm course in the Middle East and Central America, ensure the free flow of oil from the Gulf and deploy intermediate-range nuclear weapons in western Europe on schedule.

Addressing the twentieth press conference of his Administration on Wednesday night the President vowed that American marines would remain in Beirut despite renewed attacks against them and accused Syria, "aided and abetted by 7,000 Soviet advisers and technicians", of trying to destroy the chances of stability in Lebanon.

He said the Syrians were contributing "disorder and trouble" in the region by deliberately "dragging their feet" because they believed in a Greater Syria that would include much of Jordan and Lebanon. "Now, if they're doing it with the idea of wearing me down they are going to be disappointed", he added.

Most of the questions during the 35-minute press conference dealt with foreign affairs, the majority with the Middle East, reflecting growing public concern about the casualty toll among the 1,600-strong American contingent in the Multinational Force. Six US marines have been killed in recent weeks.

"As long as there's a possibility of making the overall peace plan work, we're going to

stay there", the President declared.

On domestic issues he claimed that the first 1,000 days of his Administration had brought about "great strides" in the economy and that a strong recovery was sending Americans back to work.

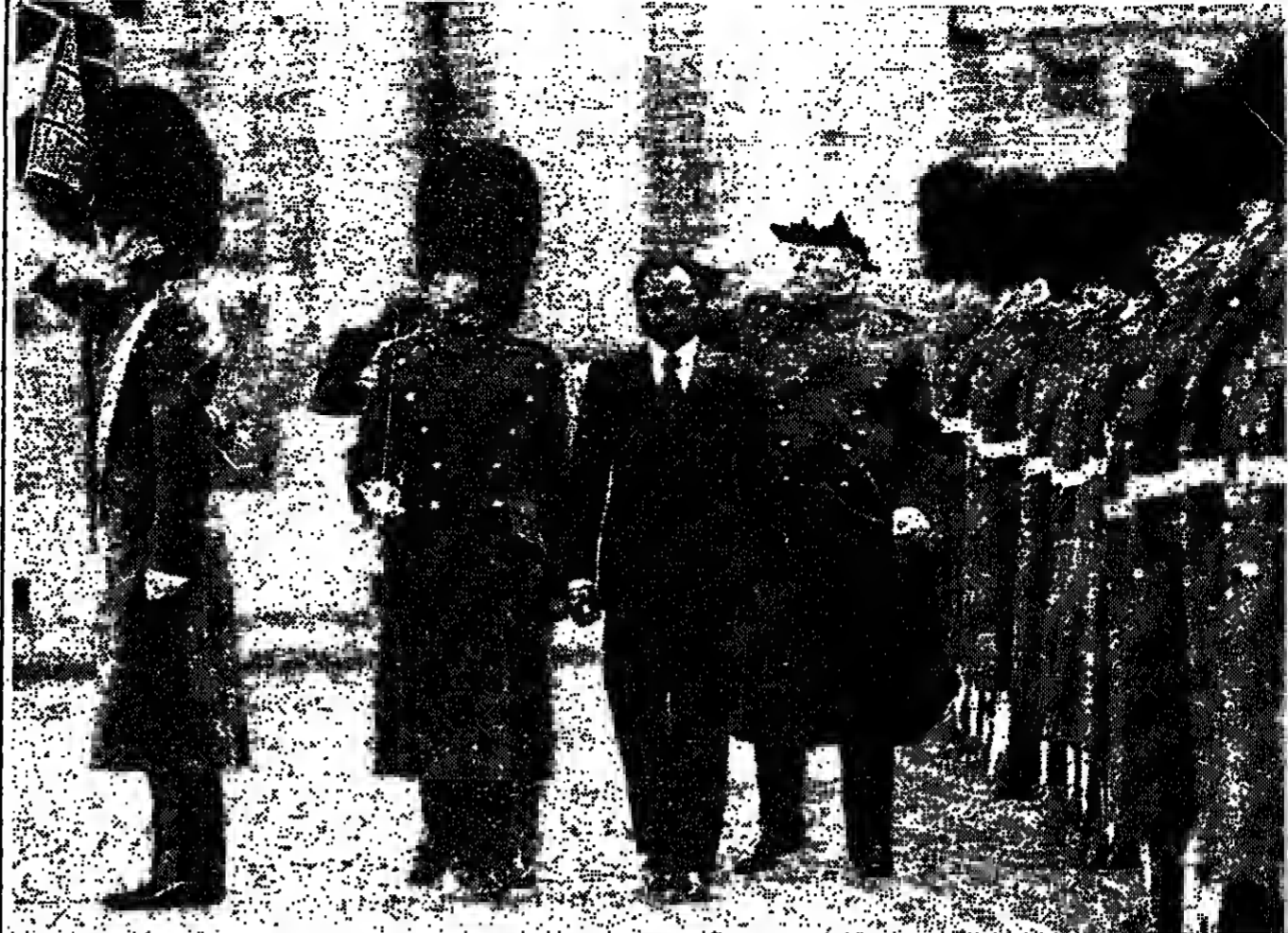
This is expected to be the central theme of his reelection campaign next year. But the President gave no clues about whether he would definitely seek a second term except to say that he would make up his mind before his seventieth birthday next February.

He also reluctantly promised to sign the Martin Luther King Holiday Bill approved by the Senate on Wednesday, but cautioned against any "careless" or "careless" debate on whether the late civil rights leader had been a communist sympathizer.

President Reagan's pledge to keep US Marines in Beirut came hours after a fresh amphibious unit of 1,800 left for the Mediterranean to replace those now on duty.

Rejecting suggestions that the Marines should be allowed to deploy beyond their present positions around Beirut airport he nevertheless reassured questioners that they would always defend themselves and he would provide that defence.

President Reagan, who has been conducting a top level review of Middle Eastern policy this week, emphasized that his September 1982 peace initiative



President Samora Machel of Mozambique, inspecting a guard of honour of the Scots Guards in Whitehall yesterday. On his first, three-day visit to Britain, he had talks with Mrs Thatcher and then lunched with her. Last night he addressed members of the British business community before a reception hosted by the British Overseas Trade Board and a Government dinner at Lancaster House.

Europe prunes budget by £283m

From Ian Murray, Brussels

Tough, "good management" measures are now being followed by the European Commission to save as much as £283m from this year's EEC budget. In tandem with a series of decisions now likely to be taken by the European Parliament, they increase the pressure on governments to agree to important reforms to Community financing by the end of the year.

There was no question when the Commission met late in Wednesday evening to decide what to do about the cash flow crisis that every one of the 14 members was acutely aware of the urgent need to do something to make sure the Community budget would last out the year. In the end it was decided to exploit the crisis by making provision to save twice as much as might be needed.

The main measure approved was, as expected, the continuation of the freeze on the payment of some premiums, storage and export refunds, which had first been brought in on Tuesday of last week. This can be lifted if finances improve radically, but by the end of the year it could mean savings of as much as £121m from this year's budget. In all events the money would still have to be paid to traders, but only out of next year's budget.

In addition to this there is likely to be the saving of £50m, more than 80 per cent of which will go to Britain, of the new premium, which is normally paid in early December. This is now likely to be paid in January, but the Commission intends to propose ending the present system of advance payment in favour of the cheaper method and asking for it to be paid at the end of the season in arrears.

All the other measures being introduced can be extended indefinitely and all represent real savings which the Community can make. The largest part of these is the £32m being pruned by dint of a different method of accounting losses on intervention, a measure which has been under study for some months.

There could also be permanent savings made by the decision to reduce the interest paid to member states to finance intervention stocks from 9 per cent to 8 per cent. This will save £2.5m this year and could save as much as £22m in a full year.

The other idea being introduced will reduce the amount of skimmed milk powder being sold off to be mixed into pig and poultry feed. This is a very expensive method of eating up the dried milk powder stock, costing 70 per cent of the intervention price.

Reducing the amount sold for feed will save some £27.5m this year, although it is unlikely that it will be extended for too long as it will mean that the surplus of powder will keep on growing.

This saving for 1983 of £283m is well in excess of the £156m shortfall in expenditure which this stringency will force member states to realize they can no longer go on expecting the common agricultural policy to go on being paid out in full as in the past.

Lebanese leaders ready to talk peace in Geneva

From Robert Fisk, Beirut

As Lebanese troops in the hills above Beirut came under renewed artillery fire yesterday, all but one of the political leaders invited to discuss the future of their country were reported to have agreed that the first session of a national reconciliation conference should be held in Geneva.

Only old Mr Pierre Gemayel, leader of the right-wing Christian Phalange Party, had failed by yesterday evening to consent to the latest venue, though it will almost certainly be forthcoming since he is the President's father.

Government officials were saying privately that the talks would probably be held in the United Nations Centre at Geneva, a location far enough removed from Beirut to escape geography and political temperature for the participants to create the framework of a new Lebanese constitution.

Mr Walid Jumblatt was the first to suggest Geneva as the venue; the Swiss city contains a great number of fine restaurants, and all the other seven participants are at a loss to

Israeli run on shares predicted

From Christopher Walker, Tel Aviv

The Israeli Government is launching a nationwide publicity campaign to try to avert a stock market crash when Tel Aviv exchange opens again next Monday for ordinary trading.

Addressing an emergency meeting of Israeli newspaper editors, Mr David Levy, the Deputy Prime Minister, has given a grim warning that a collapse of the Stock Exchange and of the banking system would endanger the very future of the state.

The Treasury and the main commercial banks had devised an elaborate scheme designed to prevent the 600,000 bank shareholders rushing to sell them when the market reopens.

After being closed for two weeks, the Tel Aviv exchange is often referred to as "the national casino" because of the speculation in a potential hedge against 130 per cent inflation opened yesterday for trading in bonds only.

Enigma of Caribbean bloodbath Power struggle in Grenada

From Jeremy Taylor, Port of Spain

A shocked Caribbean was puzzling yesterday over how the political crisis in Grenada could have escalated so quickly and violently.

What had been carefully represented by the ruling New Jewel Movement as a conflict between the party and the Prime Minister, Mr Maurice Bishop, over party discipline and personal power exploded suddenly into a bloodbath, with far-reaching implications for Grenada and Caribbean politics.

The differences between Mr Bishop and his deputy, Mr Bernard Coard, were about tactics and timing rather than basic ideology. The issue that led to the confrontation may have been constitutional reform and when and how to organize some form of elections.

Mr Bishop had been under strong pressure at two recent Caribbean Community summit meetings to proceed quickly to a new constitution and open the way for elections.

Earlier this year, on a trip to the US seen as a gesture of conciliation in the face of American hostility, Mr Bishop announced a constitutional commission to begin public hearings soon.

He had been trying to give a more positive international image to the revolution and secure economic support for a continued role for the island's private sector.

Mr Coard and his Jamaican-

Grenada: The facts

Population: 115,000, mostly of African descent. Language is English, religion Roman Catholic with Protestant minority.

Area: 133 sq miles. Capital: St George's, founded in 1705 by French settlers.

Economy: Dependent on tourism, agriculture. Main exports are cocoa, nutmeg, bananas.

GNP (1980), \$30m (£53m), per capita income \$870 (£580). Unemployment (1983), 14 per cent.

Armed forces: A 1,000-strong People's Revolutionary Army.

Mr Bishop by a loyal crowd was exploited to implement a long-standing ambition to remove him from the scene and accelerate the revolution.

Official versions of the conflict, it is argued, were having no effect on Grenadians. Demonstrations in support of Mr Bishop were continuing, ministers loyal to the Prime Minister were in open revolt, and the Foreign Minister, Mr Linson Whitehead, had said that Mr Coard was not interested in dialogue and the people must free their leader.

Mr Bishop may have played straight into his enemies' hands by leading the crowd that freed him into St George's, apparently believing everything would fall before him.

Mr Coard, aged 39 is a political science and economics graduate of Brandeis University in the United States, and took a Master's degree in comparative political economy from Sussex University, after which he taught in Britain and lectured at the University of the West Indies. When he returned to Grenada, he ran the Organization for Revolutionary Education and Liberation, which taught Marxism-Leninism.

According to some reports, Mrs Coard and their two children left Grenada earlier this week and Mr Coard had already detained several army officers loyal to the Prime Minister when Mr Bishop returned from a trip to Hungary and Czechoslovakia just before the crisis.

A heavily built, bearded, normally cheery figure, Mr Coard is a Marxist-Leninist and the ruling party's chief ideologue. Described by some observers as a man, obsessed with power, he has kept out of sight throughout the week-long crisis, though the tone and wording of official announcements from the armed forces suggest political direction and possibly Mr Coard's pen.

While many who know him saw nothing to suggest he would conceive of eliminating Mr Bishop and his supporters in the Government so ruthlessly, others argue that the freeing

Bonn wary of Soviet blackmail

From Michael Binyon, Bonn

Bonn yesterday gave a warning that the Soviet Union's relentless build-up of its military forces could subject the West to political blackmail unless it took urgent steps now to restore the military balance.

These included the deployment on schedule, if necessary, of new Nato missiles to counter the Soviet monopoly in medium-range nuclear weapons. Nato had also to improve its conventional forces, which at present were only "just sufficient" for effective forward defence.

The warning was included in a 265-page White Paper outlining long-term defence policy. It minced no words in detailing the threat from the Soviet Union, its expansionist philosophy and present military superiority which increasingly threatened the West's political and economic interests throughout the world.

The paper's publication, two days before the huge rallies planned by opponents of Nato missile deployment, is a clear attempt by the Government to sway the public argument, and



Brussels protest: Fran Katharina Focke (centre right) a former West German Cabinet Minister protesting with other MEPs over the deployment of Nato missiles.

in the words of Herr Manfred Wörner, the Defence Minister, to make up for public ignorance and the one-sided and misleading views of security policies now being spread throughout Germany.

Bonn's "peace policy" did not threaten anyone and was intended solely to guarantee peace in freedom and independence, he said. It included readiness for dialogue and cooperation with the East, and arms control agreements aiming at the lowest possible level of armaments.

By contrast, the Russians saw military power as "a tool for achieving the objectives of their power policy regardless of what other countries may want".

Herr Wörner stated that there was no actual danger of war in Europe at present. The real hazard lay in Soviet readiness to use military force, directly or indirectly, as a means of policy.

Herr Wörner told a press conference that credible deterrence was still the only way of ensuring freedom for the foreseeable future. He was not eager for the new Nato missiles, but there was no returning to the days of nuclear innocence.

Nato was still able to stop an attack by the Warsaw Pact, but only just, the White Paper said. Any further reduction in its

How US misread island signals

From Nicholas Ashford, Washington

The Reagan Administration yesterday expressed its "grave concern" about the bloody coup on Grenada. And well it might as the political situation on the tiny Caribbean island has turned out in exactly the opposite way that Washington had hoped.

Washington, concerned by the links which Mr Maurice Bishop, the murdered Prime Minister, had developed with Cuba and the Soviet Union, had sought to bring the island state to heel by cutting off economic aid and reducing diplomatic ties to a minimum.

America saw the tilt to the left which had taken place since Mr Bishop seized power in 1979 as part of a broader pattern of encroachment in the Caribbean and Central American region.

Grenada was frequently mentioned by American officials in the same breath as Nicaragua as counties which posed a threat to the stability of the region.

In a speech earlier this year President Reagan warned that "Grenada bears the Soviet and Cuban trademark, which means it will attempt to spread the virus among its neighbours."

The main object of American concern was the new airport, which is being built on the island. Mr

Fear of fishing chaos as Dutch torpedo deal

From Our Own Correspondent, Brussels

"This could mean anarchy in Community waters" - that was the gloomy verdict in Luxembourg early yesterday, the Belgian Minister for Fisheries, after another 14 hours of talks on the herring share-out in the North Sea ended in deadlock.

Precisely at midnight Mr Giorgios Contogeorgis, the Fisheries Commissioner, admitted there was not point in going on with the argument. The digital clock in the room showed "00:00". "Look at that", said one of the delegates, "the clock shows exactly what we have achieved".

Mr Michael Jopting, the British minister, contrived to remain optimistic despite the fact there have now been six fruitless attempts to reach agreement on the problem, which is crucial to the completion of the common fisheries policy. "There was no shortage of will to reach agreement", he said. "We were closer than ever before".

But the fact remains that The Netherlands - not normally one of the more militant member states - refused categorically to accept a herring deal which would have ended the destructive quarrelling over the 10-month common fisheries policy.

As a result, the search for agreement on quotas of all species for this year - already long overdue - has become an academic exercise. If things continue at this speed, the industry could find itself in 1984 still using the 1982 figures, Fisheries Commissioners, had admitted there was not point in going on with the argument.

The next meeting on the problem is not likely until mid-December, and there is already strong pressure from the British industry for that meeting to make a start on agreeing next year's figures, ignoring 1983 - the year in which the CFP was signed.

The long uncertainty has led to the Bona fairs with fishermen finding it very difficult to take seriously any form of control based on quotas demonstrably out of date.

Scientific evidence indicates that the herring stock is growing very quickly indeed, after the six-year ban on conservation grounds. Fishermen report they are catching more than at any time since the bonanza years of the early 1960s.

Andropov's Sofia visit in doubt

From Richard Owen, Moscow

Speculation about the health of President Yuri Andropov increased yesterday as doubts grew about his impending visit to Bulgaria.

Soviet officials had earlier let it be known that Mr Andropov would visit Sofia in the "second half of October". Officials hinted that he would use the visit - planned for next Tuesday - to make an important speech on East-West issues. Diplomats said that he might launch Geneva.

Moscow has said that it might walk out of the Geneva talks on medium range missiles. Warsaw Pact foreign ministers meeting in Sofia last week said that Russia would continue the talks provided American missiles in Europe in December.

Observers feel that Mr Andropov will have to make a

Russians not amused by Callaghan quip

From Our Own Correspondent, Moscow

Mr James Callaghan has told the Russians that they cost him the 1979 election by coining the epithet "Iron Lady" for Mrs Thatcher.

Mr Callaghan, who is on a week-long visit here, made the remark during talks with Mr Boris Ponomarev, a candidate Politburo member.

Mr Callaghan said that the term "Iron Lady", although meant to be complimentary, had been turned to political advantage by Mrs Thatcher. Mr Callaghan remarked jocularly that if the Kremlin had not intervened in 1979 he might have continued as Prime Minister. Mr Ponomarev, who is not known for his gift of spontaneous repartee, did not respond.

Caribbean outraged

Bridgetown, Barbados (Reuters) - Caribbean Governments and politicians reacted with shock and outrage to Grenada's army takeover.

The Prime Ministers of Barbados, Mr Tom Adams, described the island's new rulers as disgusting murderers and barbarians, and said he would not be sitting down with them in meetings of Caricom, the Caribbean common market.

Jamaica's Prime Minister, Mr Edward Seaga, also said he would not take part in any Caricom meetings with Grenada's new rulers, whom he called murderers.

Antigua and Barbuda, as chairman of Caricom's standing foreign ministers committee, has called for an urgent meeting of the grouping.

Lucky Jim

How you'll envy him when he solves Kingsley Amis' question in the Great Spectator Car Chase Competition and wins the magnificent 1934 Daimler limousine that's first prize!

The Spectator

75p weekly

Right jubilant as union poll puts French left into minority

The French social security fund elections, in which the Communist-led CGT and the Socialist-CFDT lost ground spectacularly to the independent and right-wing unions, was hailed as "a crushing defeat for the left" in the right-wing newspaper Le Figaro.

Belize, part 2: Poverty spread equally Balancing on the US-Cuba tightrope

In this second of two articles on Belize, John Curran interviews the Prime Minister.

The door of the office of Mr George Price, the Prime Minister of Belize, is always open. "That way a draught can run through," he explains. "We have so air conditioning or electric fans here."



Mr Price receives constitutional instruments from Prince Michael of Kent on Independence Day

The temperature in Belmopan, the 4,000-population capital of Belize, is never too far from the 100°F mark.

With an annual budget of US\$100m (about £65m), an almost total dependence on the fluctuating world price of sugar (Belize's main export) to make foreign exchange, and a need to import anything remotely resembling manufactured goods, Belize is a poor country even by Central American standards.

Mr Edmond Maire, general secretary of the Socialist CFDT, blamed his union's loss of support on the "politicization" of difficulties involved in trying to get an unpopular "language of truth" and economic realism across to the general public.

M Maire has declared for example, that workers must be ready to accept a drop in real wages if there is to be a reduction in the working week to 35 hours, essentially for creating more jobs.

China eases up on its anti-British barrage

The fifth round of Anglo-Chinese talks on the future of Hongkong ended here yesterday and was described by a British Embassy spokesman as "useful and constructive."

Jobs issue dominates Swiss election

Unemployment and the environment are the two main issues in the 38 million Swiss go to the polls this weekend.

Danish oil rig breaks loose

One seaman died and 39 oilmen were rescued by helicopter and flown unharmed to Gotenburg, Sweden, when a Danish oil rig broke loose from two towboats in stormy weather in the Kattegat.

THE ARTS Opera Shortage of style

This is the year of Idomeneo, with Jean-Pierre Ponnelle at Salzburg, Trevor Nunn at Glyndebourne and now, as if not to be outdone, John Cox for Scottish Opera.

The obvious parallel is drawn between the classical Turner "capable of supreme romantic violence" and the Mozart of the recharged opera seria, and that is that the circular, semi-framed cultural side-show accounts for an initial confusion of perceptible level, yields subsequent risible moments (protagonists peer into the projected pictures and then say as if they were).

Privy Council

Malison v Air New Zealand Ltd and others. Lord Diplock, Lord Keith of Kinkaid, Lord Scarman, Lord Bridge of Harwich and Lord Templeman. Judgment delivered October 20.

Law Report October 21 1983

To the Department of Justice NZ\$150,000 by way of contribution to the public cost of the inquiry. That order had been made in the exercise of a statutory power of decision and to that extent, if to no other, the Royal Commission report was subject to review.

Divisional Court

Sandhu v Khan. Before Mr Justice Walton and Mr Justice Nichols. Judgment delivered October 19.

Gnome Help Answer Richard Ingrams' question in the Great Spector Car Chase Competition and Lord Gnome will help you win the mint condition 1934 Daimler limousine that's first prize.

Nicholas Kenyon meets Goran Jarvafelt (right), producer of the Welsh National Opera Ring which begins in Cardiff tonight

Doubly prepared When The Ringgold opens at the Welsh National Opera in Cardiff tonight it will be only the beginning of a massive undertaking for the 35-year-old Swedish director Goran Jarvafelt, one which represents a huge investment by the Welsh company in his relatively untried talents.

Advertisement for various products including Rlenzi, DANTON, and WISE CINEMA.

THE ARTS

Cinema Unbeatable against all the odds



Honest and cheerful: Mickey Mouse as Bob Cratchit

From time to time he was opera singer, circus performer, impresario and actor; and it is as an actor-star that he reappears in Mickey's Christmas Carol...

Pop music Smokey Robinson Hammersmith Odeon

William "Smokey" Robinson is not content merely to stand back and recite perfect versions of the many classic songs which have made him, for more than 20 years, the most artful singer in popular music...

Pop music Smokey Robinson Hammersmith Odeon

William "Smokey" Robinson is not content merely to stand back and recite perfect versions of the many classic songs which have made him, for more than 20 years, the most artful singer in popular music...



Voluptuous and sinister: Sinead Cusack, David Bradley

Theatre

The Custom of the Country The Pit

Taking his title and his starting point from Beaumont and Fletcher, Nicholas Wright defines the custom in question as the droit de seigneur. A young man to a strange land proposes marriage to a local girl; the ruler then claims his pre-occupational rights...

are clearly defined. Here is the voluptuous Mrs Bone (Sinead Cusack) running a chain of brothels in enigmatic partnership with a Jewish scholar (Bruce Myers)...

Irving Wardle

Mickey's Christmas Carol (U) Odeon Leicester Square

La traviata (U) Odeon Haymarket

Malvinas: A Story of Betrayals ICA Cinema

National Lampoon's Vacation (15) various cinemas

Class (15) Leicester Square Theatre

Bullshot (PG) Classic Haymarket

The comeback of Mickey Mouse after more than thirty years' absence from the screen is an event of moment to mark the Disney diamond jubilee...

Since Jacobs wrote, time and fashion have eclipsed or at least obscured the achievement and regard which were Disney's at the time of the Second World War...

Nor have Mickey's fame and popularity diminished in the years since he left the screen in 1952. He was born in 1928, but his personality - naive, gallant, incorrigibly optimistic - belongs supremely to the New Deal era...

One could be forgiven for thinking that Harold Macmillan spends more time reminiscing on television than he once did in active politics...

Television Twilight glow

gives the impression of being an Edwardian slightly aghast at the way the century has developed, a patrician who treated politics as a game in which "personalities" played the major roles...

seen on Open Space (BBC 2), which took a somewhat horrified look at Ears Court. It is, it seems, "one of the most crowded places in Europe", with over 90 nationalities among its 15,000 inhabitants...

Peter Ackroyd

Dance

Olegin Palace, Manchester

Olegin is the best of John Cranko's long dramatic ballets and one of the best made in the past half-century. It was frustrating that a Covent Garden production fell through because of problems about the decor...

Cranko's choreography, faithfully restaged by Georgette Tsingirides, rightly put the emphasis throughout on the central figures but always set them against an animated background that gives a social context to the personal drama...

The title part is not easy to characterize. Ben van Cauwenbergh catches the right spirit although his acting is all big gestures, without much subtlety yet...

John Percival

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BETRAYAL Directed by DAVID JONES

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One of the world's most distinguished magazines The Illustrated LONDON NEWS

Why the PLO fell apart in Beirut

The Palestine Liberation Organization grew into the world's best known guerrilla army under the leadership of Yasser Arafat. Then, quite suddenly it disintegrated. What caused its downfall?

By Robert Fisk

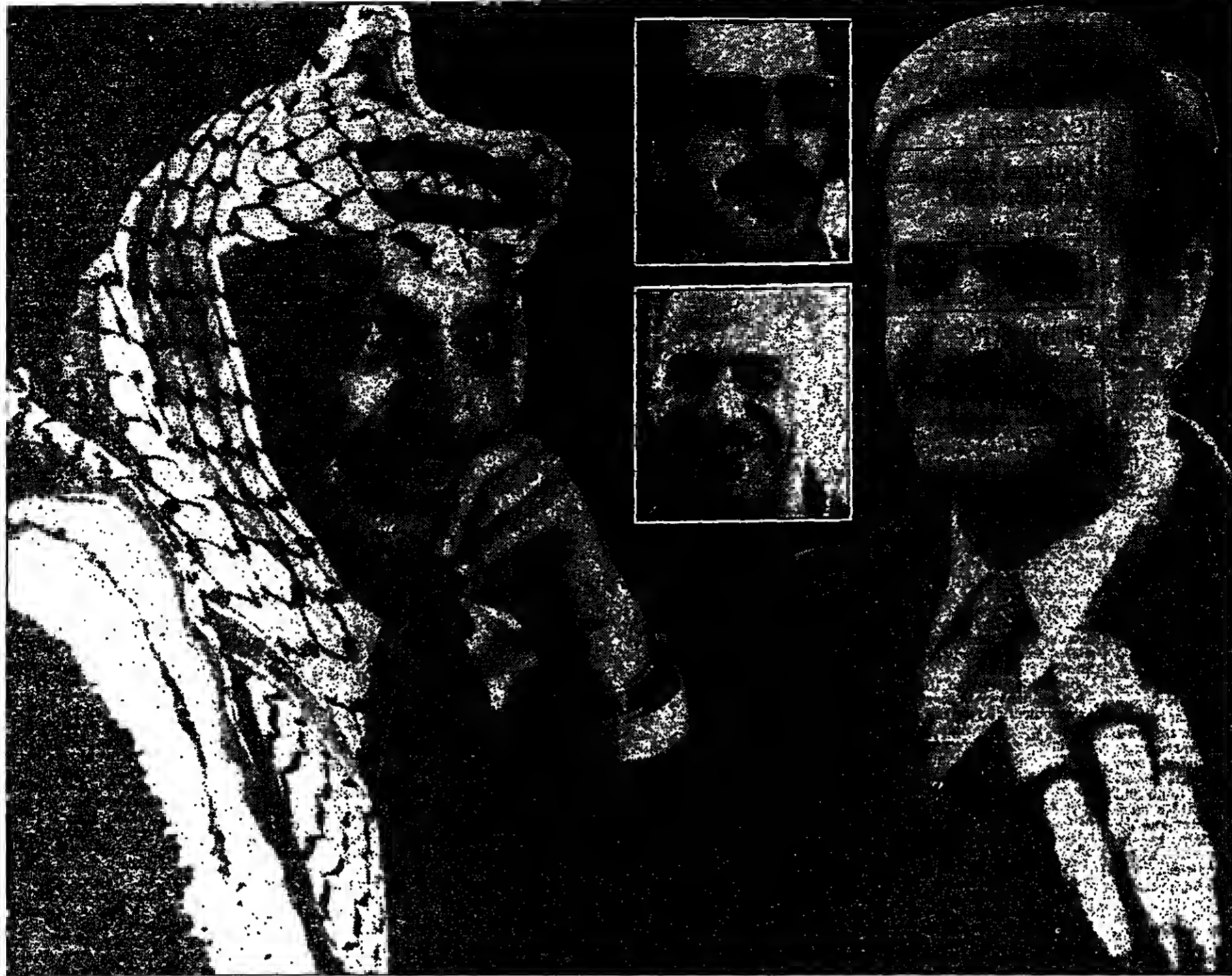
At mid-morning on Palm Sunday, 1978 Mahmoud Labadi, Yasser Arafat's bespectacled and unbane press spokesman, was driving down the main coastal highway south of Sidon. It was a bad day for the Palestinians. Israel had just sent 20,000 troops into Lebanon to attack the Palestine Liberation Organization, and Israeli jets were bombing and strafing the main road. A quarter of a million civilian refugees were walking or driving broken vehicles up the highway towards the dubious safety of Beirut. But what troubled Labadi - who three times had to take cover in the orchards beside the road as marauding jets flew overhead - was the large number of Palestinian guerrilla fighters who were also heading north. Gunmen were crowded on pick-up trucks while Fatah guerrillas holding Kalashnikov assault rifles were also fleeing the battle zone, sometimes pushing the refugees off the road in their desperation to escape.

Labadi was appalled. He drove at once back to Sidon and burst into the PLO's operations headquarters in the city suburbs where he found Yasser Arafat, for 13 years the supreme Palestinian military commander, surrounded by his most senior officers. The colonels and lieutenants whom Arafat had promoted over the years, Labadi remembers, all had "long, unshaven faces". Among them was Colonel Haj Ismael, the commander of southern Lebanon who had himself fled the battle.

Several of those present recall what happened next. Arafat, who still used his old code-name of Abu Amar, took one look at Labadi's face and asked: "What's wrong, Mahmoud, what's wrong?" And Labadi replied slowly: "Our people are running away, Abu Amar." So Arafat stood up, put his peaked military forage cap on his head and - ignoring the protestations of Haj Ismael - left his bunker and climbed into Labadi's car. Followed by his retinue of complaining colonels, he drove to an abandoned petrol station just south of the Zahranzi oil refinery on the main highway where he ordered four Fatah guerrillas to stand across the road and force any Palestinian fighters who were running away to turn back to the battlefield. Labadi still remembers the incident with bitterness. "Arafat was courageous," he says. "But those people like Haj Ismael were angry at me because I told Arafat the truth. They were loyal but they were cowards."

Those Palestinians who remain loyal to Arafat and those who have forsaken him both look back to this incident as an important moment in the history of the Fatah movement, crystallizing the weakness inherent in the PLO long before last year's Israeli siege of West Beirut. How could a man of such obvious charisma as Arafat have surrounded himself with such incompetent officers? How did they ever achieve their positions? In Arafat's encircled stronghold of Tripoli today, the question is not put so bluntly. But in Damascus, the men who have turned against him - who have arguably betrayed him - look back even further for the seeds of the mutiny that has now torn apart the world's best known guerrilla army.

The first dissatisfaction with Arafat's leadership was voiced, in secret of



Face to face: Arafat and the former allies now ranged against him, Mahmoud Labadi, Moussa Arafat and President Assad of Syria

course, after the PLO was driven out of Jordan by King Husain's army in September, 1970. As one of the mutineer officers in Damascus puts it: "We had an organization in Amman but we were not capable of holding it together. We could not restrain the Palestinian street gangs. People got rich. We harmed our relationship with the Jordanian government and with the Jordanian people. The PLO never said so at the time but we lost thousands of our members when we came to Lebanon - young men with university degrees, people we needed, who said that we could not fight, that we were corrupt. So they left Fatah."

The issue of corruption was an important one once the Palestinians had established their headquarters in the predominantly Muslim sector of West Beirut after their ejection from Jordan. Saudi Arabia began to channel many millions of pounds into the organization.

The PLO's account was never maintained at less than a million US dollars but further funds were spread around at least ten other accounts, sometimes in the names of finance committee members - men like Abu Usama, Abu Ala and Fouad Shoubaki - who in turn ploughed the money into investments for Fatah. In this way, the PLO bought a series of huge farms in Syria, Sudan, Ethiopia, Somalia and Guinea. Incredibly, it also bought major shareholdings in several shipping companies operating out of Greece and Cyprus. Moussa Arafat, Yasser Arafat's own cousin, became the owner of a farm near Damascus, paid for with PLO funds.

Yasser Arafat's reaction to allegations of corruption is fierce. "They haven't the right to speak about these big lies... We haven't the ability to do (sic) any corruption. It is shameful of

PLO mutineer
'We had an organization in Amman but could not hold it together. We could not restrain the street gangs.'

them to mention it. They are repeating the rumours of dirty intelligence services."

Ahmed Abdul Rahman, the man who took over Labadi's job as Arafat's spokesman last year, insists that the PLO's funds were invested under private names because Arab states do not allow organizations like the PLO to own property. He rejects - as does Arafat - the claim by the mutineers that there are 20 millionaires among the leaders of Fatah, all of them close to Arafat himself. Nevertheless, Arafat's hold on power within the guerrilla movement is an intensely personal one. He is himself leader of Fatah's revolutionary council. His cousin Haj Mutlak is a member. So is his nephew - his sister's son - Nasser Kudwa, and so too is his brother Fathi who was brought onto the council last year.

Moussa Arafat is also on the revolutionary council. Even though one of Arafat's relatives holds an elected post the appointment of the other three was bound to lead to allegations of nepotism. Arafat's treatment of some of his military officers gave these charges the smell of insurrection. Back in 1976, for

Yasser Arafat
'The people who talk like this are trying to destroy our glorious revolution. It is shameful. They are repeating rumours.'

example, the PLO commander in southern Lebanon was a middle-aged Fatah officer called Abu Moussa, an argumentative but generally efficient guerrilla fighter who was sacked by Arafat in favour of Haj Ismael, the man who was to flee his post in 1978. Abu Moussa was put out to grass for four years as a member of the PLO's Beirut "operations room", a largely impotent talking shop for retired Palestinian tacticians which had no real power within the guerrilla movement.

Another officer frozen out by Arafat was Nimr Saleh, code-named Abu Saleh, who was a member of Fatah's central committee and at one time on the general command of Fatah's *Asyifa* (storm) guerrillas, an unimaginative and slightly pompous man who none the less regularly criticized the PLO's unpreparedness for war.

But Arafat's own appointments quickly proved disastrous. Labadi likes to set the scene for what followed. "The Palestinian movement at that time was like an Oxford student who never did any work," he says. "Instead of studying, he chased girls and got drunk. He never prepared for his examination. He would boast - just like Arafat boasted that he would 'defy Begin to invade' - but when the day of the examinations came in June, 1982, he failed the examination. He got only 30 per cent. Against the Israelis, that's not bad, but it's not good enough. We held out in Beirut for 90 days, but that's not enough."

The Israelis quickly captured Tyre and Sidon. Haj Ismael again left his post. Arafat's deputy Khalil Wazzir - a thoughtful and brave man who is the only Arafat loyalist still respected by the mutineers - said later that Haj Ismael had been cut off from his men while leading an attack on an Israeli tank unit on a hill east of Sidon. But most Fatah officers quickly came to the conclusion that Haj Ismael was guilty of cowardice.

Surrounded in Beirut, the guerrillas savagely argued among themselves. Abu Saleh, his own home in the Fakhani district destroyed in an air attack, complained more openly about Arafat's colleagues. Arafat allegedly turned on Labadi one evening, exasperated by Labadi's constant harping on the need to stay in Beirut. "Never mind what I tell the foreign press about staying here," he said. "We have got to go."

In late September, after the PLO had left, Arafat sat down in Damascus and watched an uncut American television video showing the corpses in Sabra and Chatila. Those who know him well say that he realized then how he had negotiated with the wrong people for the wrong guarantees. It was too late. The Syrians had already decided to

take over the PLO's guerrilla movement, thus becoming the undisputed vanguard of the Palestinian revolution. A year earlier, Abu Saleh had been sent to Damascus by Arafat on a goodwill visit. It had been an attempt to move Abu Saleh out of Beirut but it backfired because the Syrians swiftly realized how disenchanted Abu Saleh had become with the PLO leadership. He and President Assad had a secret six-hour meeting. And when Abu Saleh returned to Damascus in the autumn of last year, Colonel Ahmed Diab, the head of Syrian national security, offered him a diplomatic passport. Abu Saleh then arranged for Abu Khaled El-Amla, a Fatah student representative expelled by Arafat, to meet Diab. The mutiny was born.

Arafat knew what was going on in Damascus but his judgment appeared to desert him. Far away in Tunis, he decided that the remaining guerrillas in northern Lebanon needed a commander and appointed, of all people, Haj Ismael. There was uproar within Fatah, not least among colleagues of Abu Moussa, who was asked to accept an inferior position. Arafat then accused Abu Moussa of running away from a battle at Jezzine in 1982, a charge that appears to be untrue.

Abu Moussa was already consorting with the Syrians. He held a series of meetings in Damascus with Colonel Ali Duba, the head of Syrian army intelligence, and with Colonel Razi Kanaan, the head of Syria's military intelligence in Lebanon. As a result, General Ali Haider, the commander of Syria's special forces' army units sent a nine-truck convoy of guns and ammunition to Abu Moussa's camp in the Bekaa valley early this year. Arafat's picture was torn from the walls of the camp. The break was in the open.

Syria promised the mutineers Libyan and Iranian money as more of Arafat's former henchmen turned up in Damascus. Arafat had sent the increasingly argumentative Labadi into exile last year, ordering him to edit the PLO's glossy magazine *Palestine* in Brussels. Labadi joined Abu Saleh in Syria. "I was truly shocked," Arafat said when I asked about Labadi's defection.

Arafat appealed to Soviet President Andropov, who sent a friendly but puzzled letter in reply. The PLO leader made his greatest miscalculation. He went to Damascus and appealed to President Assad's brother Rifkat to quash the mutiny, assuming that Rifkat would take Saudi Arabia's advice and do so. Since the President of Syria had already given his blessing to the rebellion, Arafat was in effect trying to set brother against brother. Both Assad brothers hurriedly approved his expulsion.

In one last effort to quell the mutiny, Arafat carried out a purge of his own ranks, dispatching Haj Ismael into exile in Tunis. Again it was too late. Today, Abu Saleh sits in his neat Damascus office, talking wistfully of the need to "purify" Fatah. Surrounded by Syrian troops in Tripoli, Arafat talks of betrayal, continually repeating that he is still the elected and legitimate leader of the PLO.

Abu Saleh and Abu Moussa are working on that, trying to win a majority in Fatah to unseat him. The last battle cannot be far away.

moreover... Miles Kingston

I may not come back

New Orleans
When people out here learn I am British, they sometimes judge me and say they hear that British politics is brightening up these days. I would like to think this meant that the wit and wisdom of Neil Kinnock is infiltrating the American public awareness. But of course they mean what I fear they mean, the Cecil Parkinson affair - that typically British business in which everyone seems to have tried to do everything for the best and ended up making a hash of it, and which is the only piece of British news reported here at all.

The most serious mistake made in the whole sorry story was the newspapers' decision to give it coverage, and that is why I left Britain a week ago, determined to stay in exile until it was all over.

I arrived in Louisiana to find the local politicians doing what politicians should really be doing: attempting to justify their reelection. At the top, they are looking for a new governor; at the bottom, they are looking for new dog-catchers and assistant deputy postmen, and by American law all these posts and everything in between are reelectable. When the inhabitants vote tomorrow they will have to fill in a form as long as an income-tax return, but at least they will then be able to get rid of all the posters which have festooned this fair state almost as heavily as fringe posters swamp Edinburgh at Festival time, and you can't get worse than that.

Basically, these posters yield very little information about the candidates. They give the voters their surname, their best passport photograph, one of their nicknames (usually Bud) and the post they hope to be voted into. Political thought is limited to a slogan reading either "Stand by your man" or "Time for a change". After a while I found myself hoping for a variant, such as maybe: "Hi! I'm Cecil Parkinson! I'm new over here but very experienced!"

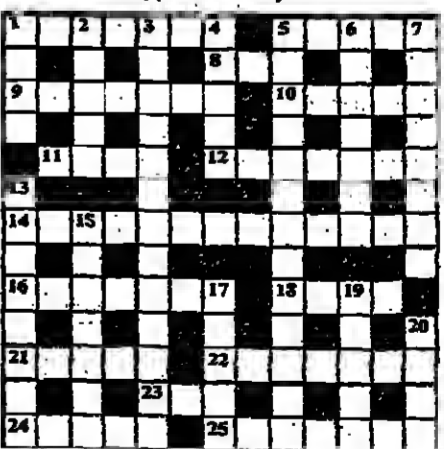
The battle to be governor is, for once, extremely interesting, especially as both candidates have been governors before. Ex-governor Edwards, a Democrat, was in office for two terms (eight years) and became very popular, having the kind of expansive personality that voters down here like and which tends to override any rumours of inefficiency or even corruption. Not being able to run for a third consecutive term he withdrew gracefully, but the ensuing scramble for his safe seat was so ungraceful and so clearly fixed that most of the Democrats did something unheard of: they rallied behind the Republican candidate, Trean, who became the first Republican governor since the Civil War.

Trean has been sober and industrious. He has also, unfortunately, presided over a collapse in the local oil industry so that the state finances, through no particular fault of his own, have slid from surplus to deficit. Now Edwards is fighting him to come back as governor and although the polls show them neck-and-neck, there seems to be a feeling that the colourful Edwards can squeeze in ahead of the unflamboyant Trean.

Louisiana, remember, is the state that had the legendary Huey Long as governor in the 1930s. Everyone knew he was a crook and everyone seemed to love him. Going further back, it is significant that under French domination Louisiana was inefficient, corrupt and cheerful, while as a Spanish possession it was very well run indeed in a quiet sort of way. What is significant about this is that the Spanish history is always played down, and that the French are given credit for almost everything the Spaniards did.

So have a look at the election result, come Sunday or Monday, and see whether Louisiana has gone back to its old colourful ways. Assuming, of course, that Mr Parkinson is not still dominating the headlines and crowding out the real news. If he has been relegated to yesterday's news, then I shall be able to come back. The trouble is out here that no British news ever gets through and I may be here for life. Actually, I'm not sure I'd mind that very much.

CONCISE CROSSWORD (No 181)



- ACROSS
- 1 Ramified power (7)
 - 2 Gentleman (5)
 - 3 Fair (3)
 - 4 Supreme sovereign (7)
 - 5 In the midst of (5)
 - 6 Promote (7)
 - 7 Intensely (4)
 - 8 Rustic (7)
 - 9 Translated (5,3,5)
 - 10 Thoroughgoing (7)
 - 11 Rouse (4)
 - 12 Question intensely (5)
 - 13 Bell tongue (7)
 - 14 Scrooge's receptacle (3)
 - 15 Bernese Alps mountain (5)
 - 16 Fill to capacity (7)
- DOWN
- 1 Cooker (4)
 - 2 Slightly drunk (5)
 - 3 Upright (13)
 - 4 Deaf (3)
 - 5 Extermination order (6,7)
 - 6 Lure drawer (7)
 - 7 King's killer (8)
 - 8 Halt Parliament (8)
 - 9 Unpleasant (7)
 - 10 Needs (3)
 - 11 Tenth Creek letter (5)
 - 12 Let loose (4)
- SOLUTION TO No 180
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- DOWN: 2 Elope 3 Archway 4 Tense 5 Table 6 Rat 7 Nodding 13 Deaconian 15 Trellis 16 Caysman 18 Witty 20 Grant 22 Car

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Echoes of laughter

FIRST PERSON

by Gay Search

It's a bizarre experience, seeing a chunk of your life dramatized on stage, partly reminded of the reality, and partly caught up in the fiction created from it. Hugh Whitmore's play *Pack of Lies* (which opens at the Lyric, Shaftesbury Avenue on Wednesday) is based on events in autumn 1960 when MI5 agents spent more than two months in our house, watching Soviet spies Peter and Helen Kroger, who were later sentenced to 20 years imprisonment.

During the five years they had lived opposite, the Krogers had become friends - Helen popped in to see my mother practically every day - and when Jim Skardon of MI5 first came to talk to my parents their name was not mentioned. He was, he said, interested in a man who spent weekends in the area, and showed them a photograph (of Gordon Lonsdale, otherwise Conon Molody of the KGB as it turned out), but my parents hadn't seen him. MI5 had not been able to discover where this man was going and, since our house overlooked the end of the alleyway he used, they asked if they could station agents in the house for a couple of days.

On the first Sunday, my mother was looking out of the kitchen window when she saw the man in the photograph come out of the Krogers' front door, hurry down the path and disappear into the alleyway. The agents stayed on; my brother and I, then 17 and 15, were told that they were police of sorts, that we weren't to say a word about them to anyone, but we were not told who they were watching. My mother, on the other hand, had to go on seeing Helen almost every day, pretending nothing was wrong.

There were close shaves. One of the girls, in her haste to hide when she saw Helen coming, left her handbag on the kitchen floor. My mother didn't spot it until Helen was already in the room, then picked it up and flung it into a cupboard saying: "That daughter of mine never puts anything away".

With hindsight, what she did during those nine weeks was extraordinary. She was forced to take on a highly trained, experienced professional at her own deceitful game, and won. Once it was all over, it remained a source of great sadness. She never went to sleep without thinking about Helen in Holloway.

I believe now that it shortened her life. She died of a heart attack 13 years ago at the age of 63. For years, I thought it was just bad luck. After all, MI5 didn't know that first day that Lonsdale's contacts would turn out to be the Krogers. But the last year, Nigel West revealed in his book *A Matter of Trust 1945-72*, that when they approached my parents, they had known for several weeks exactly where Lonsdale was going.

My father was remarkably sanguine about it - "What else would you have expected them to do?" he said - but I was very angry and bitter at the stress and misery they had cynically subjected my mother to. Yes, I understand about the national interest, and I know how much damage the Portland spy ring did to our defences, but then what Hugh Whitmore calls "hardcore government" steamrollers the people you love, it's impossible to feel anything else.



Annetta Hoffnung responding to a demand

illustrations for Collette's libretto for the opera *L'enfant et les sortilèges*, his radio and Oxford Union debates were all the product of the last nine years or so of his life.

For the first time too, he sat down and learned to read music. He took up the tuba and became accomplished enough to play professionally.

While she was bringing up Benedict (now 28 and a prodigious classical pianist) and Emily (a gifted sculptress working in her own studio in Wapping) Annetta Hoffnung was too busy to write off their life together. "Being a single parent can sometimes be easier. There is no conflict when the major decisions have to be made."

She planned to write a biography of Gerard for publication in 1979, the twentieth anniversary of his death. But next year's anniversary - the twenty-fifth - now seems certain to come and go without the promised book.

She is honest enough to say she is daunted by the prospect of "trying to find words to put Gerard across and that he was like to people. It is actually very difficult to convey how beloved - if impossible - people found him."

Annetta feels that she must add something about the serious side of Gerard's nature. Although born Jewish, he became a Quaker during his marriage "because he felt a need for some form of worship and the silence of the Meeting, as well as the cause of non-violence, suited him."

Gerard was also for a time a prison visitor and would frequently bring ex-inmates of Pentonville back to the house. One convict, on hearing of his death, remarked: "When my own mother died I didn't feel like this."

Mrs Hoffnung is nourished by the great weight of laughter that is her husband's legacy: "Sitting quietly behind my bookstall at various exhibitions I've relished the reactions of visitors who've plainly never heard of Hoffnung before. Unlike the expectant delight of those who bound up the stairs having travelled three and half thousand miles to view Hoffnung, the uninitiated stare, bemused, at the first Hoffnung frame, move on quite po-faced, then suddenly, around the third frame, realize what they're seeing and return with heaving shoulders to the start. It's my delight to share in such rare, spontaneous laughter."

Next Sunday, Annetta Hoffnung will give a slide-illustrated talk on her husband's life and work at 3pm at the Bloomsbury Theatre, Gordon Square, London (387 9629).

Gerard Hoffnung died in 1959. His humour lives on thanks to the efforts of his widow.

Madeleine Kingsley meets Annetta Hoffnung

Gerard Hoffnung's sudden death from a brain haemorrhage in 1959 deprived his cult following of a cartoonist, a broadcasting humorist and the musician-extraordinaire whose Festival Hall extravaganzas (featuring solos for vacuum cleaner and the A flat foghorn) cocked an eccentric snook at classical pomposity.

Annetta Hoffnung also lost a husband of only 34, the father of three-year-old Ben and baby Emily. Looking back now, she says her seven-year marriage was "perhaps always too chamed - 'less'". It would be understandable if like Queen Victoria, Annetta Hoffnung had embraced widowhood as an institution of black weeds and if-only hitherness. "But I'd hate people to think I'm one of those wives of the late famous who never let go or move forward," she says.

"Certainly I've taken charge of my husband's work - it would have been a great loss for everyone if the drawings had been locked away and forgotten. But I've never thought to promote a Hoffnung industry as such. I've simply responded to the demand which far from dwindling actually seems to be increasing each year, as new generations discover Gerard. Finding myself out of the blue in a shattering situation which no one could change - you can't argue against losing a husband - what luckier person could I have been in the world than to have such marvellous material to earn my living with for 25 years?"



Hoffnung... by Hoffnung

Annetta Hoffnung's role as co-producer and director (with Tom Bergman, her friend and fellow Hoffnung enthusiast) of the Hoffnung gala concerts, is by no means a mere paper acknowledgment. Following her first timpanist's triumph with a seven-foot bass drum at the original concert a year before Gerard's death, Annetta Hoffnung appeared in this summer's South Bank performance as a beffled and black-stockinged chambermaid, a glorified prop girl who brought on melodious beer bottles and musical garden hose as required.

Although she insists that she was always the non-creative Hoffnung partner, she has inspired such jokes in the Hoffnung tradition as the coughing stooge in the auditorium who is publicly reproved by the conductor, and the bevy of small children who burst out of a grand piano to sing.

Mrs Hoffnung was also responsible for this summer season's

premiere of a "romantic" work by Wilfrid Joseph which her husband had always planned to commission. Joseph's "Concerto d'Amore" presents the predicament of two temperamental violinists booked, by some ghastly blunder, to perform the same solo piece. A male and female musician eventually agree to play in turns, but gradually become enamoured of one another's playing and persons, exchanging addresses and embraces over the final *rallentando*.

This autumn Annetta Hoffnung has overseen the Hoffnung cartoon exhibition in the Durham Light Infantry Museum, and the release by Souvenir Press of Hoffnung's half dozen musical cartoon books, which have, she points out with justifiable pride, never been out of print for 30 years. On Boxing Day she begins a two-month tour taking in Houston, Pasadena, Frankfurt and Paris.

Any material she post may bring an order for 8,000 Hoffnung greeting cards from New York's Kennedy Centre "which means I spend the next three days painstakingly counting them out, zipping down to the supermarket for a likely cardboard box and driving the precious package down to the freight office at Heathrow airport."

The Hoffnung headquarters is now a pink-washed house in Hampstead village, where the sitting room has a place for the famous brass foghorn ("We bought it on holiday in Bognor Regis; there's a good throwaway line for you"), a whimsical bronze statue representing Gerard as a cherubic toddler and a Chagall which is the first picture the Hoffnungs bought. A garage at the bottom of the garden serves as a repository for 14 crates of Hoffnung's drawings.

The house is light and decorative - a far cry, says Annetta Hoffnung, from the ponderously Edwardian house in the garden suburb on the other side of Hampstead Heath, which Gerard inherited from his German mother, and where the young couple lived. There, Gerard once picked up his cherry-cheeked housekeeper, Maria, and held her out of the window by way of a prank punishment for burning his dinner.

Annetta Hoffnung, now in her late 50s, looks slim and serene in light grey cord, a fluffy mohair cardigan and pink snuggles. Her silver hair is cropped boyishly and her face is remarkably unlined for one who smiles so often.

Her terribly happy but culturally "nothing" childhood in Folkestone did little, she says, to prepare her for the job of globe-trotting custodian of Gerard's memory. "If not for the war," she says, "it's quite possible I might have married a south coast bank clerk." Instead she was evacuated to school in Merthyr Tydfil, and Charnorgan, and the Royce Marjorie when after the war she exchanged that uniform for the fawn frock, gloves and monogrammed felt bowler of the Norland nanny.

As former nanny to the children of cartoonist Roland Emmett, Annetta (then Nurse Bennett) was invited back to dinner and there met Gerard Hoffnung. "The Emmetts had a shrewd idea we might hit it off - how right they were."

Annetta Hoffnung would not say so, but she was clearly responsible for Gerard's blossoming into an immensely prolific and varied artist. The little books, the concerts, his

are short, squash is played at a violent pace for up to 40 minutes. A faulty heart rhythm, either with or without an obstruction of a coronary artery, is a frequent cause of death. It was therefore worrying that one third of the players developed arrhythmias while playing, and about the same number in the first 30 minutes after the game. The research workers suggest that the vigorous nature of squash may cause biochemical changes in the blood which encourage arrhythmias.

Heartitch Few physicians would have arrived at the diagnosis in a case reported in *Medical News*, of a man who had a recurrently itchy nose. He was suffering from angina.

The classic story of angina is of a gripping, or heavy, pain behind the breastbone, radiating to the neck and jaw, after exercise or emotion. However, anginal pain is frequently not typical; it can, and often does, come on at rest; it can be felt on either side of the chest or in the back; it can simulate toothache, indigestion, or cause pains in the hands.

A careful history, a high level of suspicion and modern equipment are needed to make a diagnosis. Dr Robert Reichstein and Dr William Stein needed all three when they saw a 60-year-old New York man who complained that the bridge of his nose itched when he walked quickly or made love. The itching disappeared when he rested. As simple measures failed to help, the doctors arranged an exercise electrocardiogram. It showed a clear relationship between the itch and physical activity. After a coronary bypass operation the patient no longer had to scratch his nose or pause at inopportune moments.

Softening up

In America the US Department of Health and Human Services, and in Britain a private health insurance firm working with a woman's magazine, have launched a campaign to educate the public about osteoporosis, the softening process which occurs in bones in both sexes from middle age.

One woman in four over the age of 65 has suffered a fracture due to osteoporosis. The production of oestrogen, which slows down normal bone loss and helps calcium absorption, declines at the menopause.

The spine is also weakened so that vertebral bones become compressed, giving rise to the bent stoop of old age. Sometimes minimal strain causes vertebrae to collapse, a crush fracture.

Synthetic male and thyroid hormones have been used in treatment, but these tend to stabilize the condition rather than increase bone mass. Calcium and fluoride medication offers hope of reversing the situation, but even at the correct dose, side effects can be unpleasant. As treatment is difficult doctors emphasize the need for prevention. Women should see their doctors to discuss hormone therapy to replace the oestrogen. As physical activity stimulates bone production, both sexes should exercise regularly.

A minor degree of malnutrition in the elderly is common. Recent research work has shown that many women have a grossly inadequate calcium intake, with too little dairy produce and vitamin D. They may also suffer from a lack of fresh green vegetables and protein. Excessive alcohol should be avoided.

Dr Thomas Stuttford
Medical Correspondent

MEDICAL BRIEFING

Putting the baby first

Although general practitioners are frequently asked if sexual intercourse can safely continue throughout pregnancy, the standard textbooks recommend it should not take place in the final six weeks in case it precipitates labour or introduces infection. Where there is an increased risk of miscarriage, abstinence for the whole 40 weeks is advised. The medical newspaper *Hospital Doctor*, has recently reviewed three research projects in an attempt to assess the value of this standard teaching.

In 1979 an article in *The Lancet* confirmed traditional views, but only 70 London women were investigated. There was a clear association between a poor condition of the baby at birth and sexual intercourse in the last month of pregnancy. A very much more comprehensive study from Israel, also published in *The Lancet*, was based on interviews with 10,000 women; in uncomplicated pregnancies there appeared to be no danger to either mother or baby.

The third paper analysed, North Carolina, showed that whatever their doctors' advice, two-thirds of women stop intercourse before the final month.

As a result of the Israel study, most doctors now agree intercourse is safe in normal pregnancies.

Biting back

Because of increased resistance by malaria to drugs, and mosquitoes to insecticides, the disease, which was well controlled in the mid-1960s, is again becoming a threat to the health of 1,900 million people who live in malarial zones, and to travellers.

Two new anti-malaria drugs are being developed. One, mefloquine, has been researched at the Walter Reed Army Institute in Washington. The other is derived from two of the active components of quinine, a Chinese herb which has been used to treat malaria for 2,000 years.

People intending to visit malarial zones should ask their doctors which drugs are still useful in the area concerned, and what dose they should take. The London School of Hygiene and Tropical Medicine in Keppel Street is very helpful to those whose general practitioners are out of touch with the present situation.

Squash alert

Tens of thousands of middle-aged workers in sedentary occupations risk heart trouble by playing an occasional vigorous game of squash.

Dr Robin Newcote, research fellow in cardiology at Glasgow University, has studied 50 cases of sudden death on squash courts, recorded in the press since 1977. There are probably many more unreported. Dr Northcote, Dr D. Ballantyne and their team investigated heart performance after playing squash in 21 volunteers with an average age of 33. Their research, reported in *Pulse*, showed that the game exerts a 20 per cent greater workload on the heart than a rally at tennis and that whereas tennis rallies

Back to school for the young in mind

Joe Ryan had agreed to pick me up from Haswell station. He didn't like this new station. They'd always had second-hand cars in the past, to fit his four boys in, but they'd bought a new one because it wouldn't need so much repairing - although he was doing car maintenance at evening classes - and it had to be a hatchback to carry manure for the allotment he'd inherited from his wife on his retirement.

A sort of div of what used to be her labours," he explained. "Some things, I'm not allowed to do, such as the washing up, because I don't do it properly, but I can dry, and clean the windows from the outside and polish the floor. We sorted out which we were best at."

He talks cheerfully, with a bit of over-enthusiasm, bluster to make a stranger feel at home. At 61, a tallish, lightly built man with grey hairs only just in the majority, he took an early retirement two years ago from the Post Office, where he'd worked since joining the Civil Service in Liverpool at 16. He was a personnel manager, responsible, ironically, for preparing staff for retirement.

"We like them to start planning about five years in advance," he said, unconscious of the still habitual use of "we" and the present tense. "For some people, men especially, it can be a very traumatic experience. If they're not prepared for it, some of them can just give up and die, you know. We advise them how best to invest their money, what clubs they can join, how to claim their entitlements - rebates, benefits, travel cards and such like. We have an Old Collegians' Association where they meet and we get retired members to come back and speak."

So at least he'd been prepared for his own retirement. "Well actually, I didn't think much

There are three stages of life: childhood, adult working life and retirement. Children grow up faster, working lives are cut by unemployment, redundancy and early retirement, and so the third age becomes longer. People in this time of life are still energetic and eager to remain involved in the outside world, not thrown onto the scrap heap. How to pass another possible 20 or 30 years without an organized role in life has become one of the major concerns of the 1980s. In London, one solution is gradually emerging, an organization conceived and run by retired people called the University of the Third Age.

about it until it happened," he said. Early retirement had given the Ryans an additional redundancy payment which I assumed had been wisely invested. But no. It was a point on which Mrs Ryan took pleasure in setting me straight. "We went to Hawaii," she said firmly. "I made sure All down the West Coast, San Francisco, Los Angeles..."

What makes Anne and Joe Ryan different from thousands of other retired British couples is that they have found an outlet for their energies which has solved, to a large extent, the problem of how to cope with the next 15 or 20 years of retirement.

The Ryans are two of the founder members of USA the University of the Third Age in London which, after two trial terms, comes into full operation this autumn. It offers courses of study and activities to retired people and those out of work and is organized and administered by the members themselves.

Anne Ryan read about a proposed USA last year, in a copy of *Options* magazine, and she and Joe volunteered to join a group of 70 other interested retired people for a study week at Trinity College, Cambridge. The idea of USA is based on the *Université de la Troisième Age*, which runs successfully throughout France. "But we're not the Open University," Anne explained. "What we wanted to avoid was a formal teacher-pupil relationship - I think we're all a bit too old for that - and any of the competitiveness that comes with exams. We don't have degrees or diplomas,

We just wanted there to be the opportunity for anyone to be able to come along and have the chance to find out more about something they were interested in, with other people."

During their week in Cambridge, they chose from seven self-taught courses - Anne did French; Joe did local history. Group members prepared a paper and read it to the rest of the group.

"It all sounds a bit daunting, I know," said Joe. "There were all levels of competence and some people were initially very shy. But everyone had something to add, something to teach the others. One or two were

very knowledgeable and were able to guide the rest of us along." At the end of the successful week, the Cambridge group decided to set up an official branch of USA - which left the Ryans with a problem. It would be too expensive and tiring to travel to Cambridge every week. What they needed was something nearer home.

They contacted Brian Groombridge, head of Extra Mural studies at University College, London. He recruited the Ryans, and it was decided to run a pilot scheme of four subjects - French, English literature, art and art history -



Joe and Anne Ryan: an outlet for energy

THE TIMES Tomorrow

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THE TIMES DIARY

Open verdict

Doctrinal uncertainty swept the corridors of power in the Socialist Republic of Islington yesterday when news broke of the bloody conflict in Grenada.

Heal thyself

Lord Young of Dartington, the man who conceived the Consumers' Association, the NatCon Extension College and other good things, tells me he is about to deliver another brainchild - an offer to sick people by the College of Health, in return for a £10 subscription, of courses in health education, the structure of the NHS and patients' rights.

Ursula Andress, immortalized on film as a starlet with a wet blouse, has emerged on the other side of the camera. She spent a week at the photographers' pit at the Paris collections working for an Italian magazine and found herself more the object of attention than the models on the catwalk.



Funny, I don't remember him at Cambridge

Forever Young

Canon Edwin Young has retired after 10 years as chaplain of the Queen's Chapel of the Savoy and the Royal Victorian Order. The 80-year-old couple who were married by him have been invited to his retirement party at the hotel next week.

Pas de ballet

Left-wing MP Tony Banks' plan to irritate the Government and belittle it at one fell swoop by bringing over the Bolshoi Ballet for performance exclusively for the proletariat has fallen through.

Literary package

Jorge Luis Borges, everybody's favourite Argie, is guest of honour on Frank Delaney's BBC 2 chat-show to be broadcast on Monday; but his chosen work is a far and afield as his wit and witless wit.

Channel 4 is acquiring admirers. The 300 Group, which is pressing for more women in Parliament and elsewhere, has awarded Jeremy Isaacs and his current affairs head, Liz Forgan, an accolade for consistently giving significant coverage to a fair and equal basis to women in politics.

The Mirror: Labour's love lost?

Much speculation over the proposed sale of the Daily Mirror has centred on the identity of the chairman of the new company. Sir Alex Jarratt, the chairman of Reed International, the owners, has said it would be someone acceptable to both the City and the Labour movement, and today, Clive Thornton, head of the Abbey National Building Society, is expected to be presented as the new chairman.

Not surprisingly after all that they have been through with the cruise missile debate, Nato leaders are reluctant to agree to yet more weapons projects. Apart from anything else, these are the sort of nuclear weapons operated by European forces under dual-key arrangements. So the political issue would not simply be whether to permit their presence with US forces but whether to buy any new systems.

Barrie Clement would the cash come from? Arthur Scargill has already suggested that the National Coal Board pension fund, on which the National Union of Mineworkers has a 50 per cent representation, should invest in the company. It might occur to other union leaders that other pension funds with strong trade union investment could follow suit.

Lawrence Freedman on the battlefield numbers game

Short-range steps towards peace

Four years ago the first volleys were being exchanged in what has turned out to be the most intense debate on nuclear weapons since the Second World War. A group of Nato planners was then reported to be proposing the introduction of new US cruise and Pershing missiles into Europe.



sort of political sacrifice for the cruise and Pershing missiles, because after the British and West German elections the success of the long-range programme is reasonably assured. Any cuts now should be in return for a notable improvement in conventional forces or in elements of the battlefield nuclear arsenal that will remain.

Against this, it is pointed out that Nato's past promises obligate it to remove a certain number of weapons, on a one-for-one basis, as the cruise and Pershing missiles arrive. For reductions beyond the 572 such missiles proposed, it is hopeless to rely on arms control because this is a notoriously difficult area in which to negotiate.

The same group of Nato planners, known as the High-Level Group, is now completing a report on another set of US nuclear weapons in Europe. These are short-range artillery shells, gravity bombs, offensive and defensive missiles and even mines. Unlike cruise missiles, which can attack Soviet territory, they are designed for use against fairly close military targets on, or just behind, the battlefield.

There are many similarities with the earlier situation. A group of expert officials is working without any publicity on politically-loaded proposals for its masters, at a time when increased Soviet activity in comparable missiles is reported. Many proposals are being put forward in the Pentagon for the modernization of Nato's stockpile. Moreover, short-range weapons are potentially more controversial than long-range because they are more numerous, and more likely to involve use on Nato territory; and the rationale behind them is much more questionable.

They have long been criticized for creating the illusion of a nuclear military option, able for example to halt a tank invasion, while in reality any use would merely start off full-blooded nuclear exchanges earlier than would have otherwise been necessary.

Not surprisingly after all that they have been through with the cruise missile debate, Nato leaders are reluctant to agree to yet more weapons projects. Apart from anything else, these are the sort of nuclear weapons operated by European forces under dual-key arrangements. So the political issue would not simply be whether to permit their presence with US forces but whether to buy any new systems.

by cutting out weapons considered unimportant. Such a move will surprise and even encourage those who believe that the alliance is capable only of adding to its arsenal and that it can never cut back. To long-standing critics of these weapons it at least represents a move in the right direction. What difference will it make in practice?

Opponents of the cuts contend that it is unwise to give up any capability when the Soviet Union is adding to its nuclear forces. They claim that there is no need now to offer the short-range weapons as a

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Princess Diana, Grocho Marx, Christine Keeler, Harold Macmillan, Lord Longford, Hedy Lamarr, Asquith, Humphrey Lyttelton

Surprising sprigs on the family tree

I didn't either, but the conclusion is inescapable. The Prime Minister is related to the Queen. Close observers of the former assume from her demeanour and carriage that she has secretly known this all the time.

The relationship, it must be said, is distant - as it is said to be every Tuesday evening as the regular weekly audience - and the blood test has yet to be invented which would prove the link. Nevertheless there is a thread, more tortuous even than Ariadne's ball of string in the Labyrinth, but unbroken provided you step outside the normal rules of genealogy and are prepared to build bridges across brothers-in-law and second marriages.

else whose name appears therein, and has drawn up a family tree of the famous and the almost well-known, published this week as The Gossip Family Handbook.

The next edition will be even better. Owing to a recent marriage undertaken by the modestly well-connected Mr Reginald Bosanquet and too late for inclusion, the identity of the former newspaper's new wife's first husband's first wife means, according to Mr Barrow, that the Queen, Mrs Thatcher, Lord Longford, Harold Macmillan, Captain Mark Phillips, Sir John Bejman, Alistair Cooke, David Dimbleby, the previous Archbishop of Canterbury but one, and every other name on Mr Barrow's Tree of High Life, are all related to Miss Christine Keeler.

David Watt

A Falkland chance too good to miss

Buenos Aires In a week's time, Argentina has its first election for nearly a decade. To anyone interested in politics it is a fascinating struggle in its own right: low-keyed by Latin American standards but grim and likely to be very close. To the British observer, however, the overwhelming question is whether democracy is going to produce a government any more likely to settle the Falklands question on reasonable terms than the bitter and embattled military regime now bowing out.

The answer, like almost everything else in Argentina, is enveloped in clouds of rhetoric and emotion. After last year's defeat, Las Malvinas is more than ever the most obsessive issue of national honour. Jorge Luis Borges's remark that the dispute was like two bald men fighting over a comb is no more welcome in Buenos Aires than it is in Downing Street.

Reed points out that any right-wing capitalist seeking to buy the Mirror would find his ambitions under scrutiny by the Monopolies Commission, whose brief is to "protect the public interest". Whether political as well as commercial monopoly would be considered sufficient reason to block the bid is another matter.

In the first place, the military junta is for the moment discredited and demoralized. It is regarded with a contempt that is open, complete and unpunished. The reasons for this collapse go beyond the war to today's economic shambles in particular, but there is no doubt that the war is generally considered an unmitigated disaster.

The hindsight consensus even among people close to the junta is that the use of force was an error of principle which misjudged not just the British but other Latin American countries, the Americans and the Europeans; did untold damage internationally, and wrecked already shaky finances.

Starting from this point the main political parties are now toying with conclusions. One prominent Peronist put it this way: "We have three possible courses of action. One is to do nothing - but public opinion will demand movement and all they have seen on the contrary is the British consolidating a huge base on our doorstep. That is a recipe for more foolishness, not now perhaps, but later on."

In that case, would a new Argentine government be prepared

to declare a formal end to the war? The answer, after a certain amount of legalistic prevarication, is that if Argentina declared peace, it would have no satisfactory ground for pressuring governments to deny the British transit facilities to the Falklands. And since this is one of the main levers the Argentines have against Britain, they would be mad to throw it away without a quid pro quo.

What would the quid be? Some gesture from the British that indicated they were not intending to build up a huge and permanent strategic base on the island as soon as communications were made easy for them to do so. Perhaps a reduction in size of the exclusion zone, it is suggested, would be a start.

And what, Mrs Thatcher always scathingly asks, would negotiations be about? The Argentines reject the present British preference (assuming talks were started at all) for settling relatively harmless questions about commercial relations and the like first. They can foresee Mrs Thatcher pocketing the preliminary agreements and stringing them along for another 17 years on the sovereignty issue. So far as they are concerned this is the crux of the dispute and they insist on it absolutely.

But the war has changed things to the extent that the party politicians and their advisers now seem ready to re-examine fairly long leaseback solutions on Hongkong lines, to envisage international guarantees for the islanders both before and after the "lease" expires and finally to fudge the question of whether talks can start at all without the pre-supposition of Argentine sovereignty - the point on which the discussions of 1982 finally broke down. Why, they ask, can we not embark on negotiations on the basis of the formula agreed to by British and Argentine officials in 1968 which said, in effect, that the UK would recognize Argentina's sovereignty but only when the British government had been satisfied that the islanders' interests were secured?

The truthful reply is that a lot of blood-stained water has flowed beneath the bridge since then and Mrs Thatcher is not ready to go back to the pre-war position as if nothing had happened in the meantime. But the question is well worth thinking about, all the same. Time, after all, is not on the British side. And by that I do not just mean that pressure for negotiation from the US, our European partners and the UN, will become increasingly insistent or even that the cost of Fortress Falklands will continue to mount alarmingly.

The point is that anyone surveying the scene here in Buenos Aires is bound to conclude that the establishment of this new government will provide a climate for negotiations that is unlikely to recur.

With the appalling problem of the Argentine economy and the lack of any widespread Argentine predisposition in favour of democracy over dictatorial forms of government, the chances of either Luder or Alfonsin serving a full term without another military coup are probably no better than even. Nevertheless a settlement ratified by democratic processes is more likely to last from one regime to another than a military fiat; and a democratic government which settles the quarrel with the British is more likely to survive. If we could take a long view of our interests and those of the West, we should explore a precious opportunity without too much delay.

Philip Howard

Fact: fiction is not just ephemera

Daily newspapers seldom publish fiction, except by accident; and then the decent ones tend to publish a correction. It would be agreeable to have the space to publish a short story, or poem, or an extract from a novel every day. In practice the daily avalanche of news, criticism, comment, information, reader service and features leaves no room for serious fiction. (One could write a tendentious monograph demonstrating that news is a kind of fiction: the good end unhappily, the bad happily; that is what news means.)

And I dare say that the majority of our readers, with 20 minutes in which to read their papers while they are jostled and pushed eyeball to eyeball up against complete strangers on the Central Line, do not have the time or the concentration to read the hard stuff of creative writing, or whatever unsatisfactory epithet you give it.

Nevertheless, it is the real thing. The work of our poets and novelists matters more and will last longer than the little disturbances of the news. Discovering a good writer is far more exciting than discovering a new painting or a new city.

There are signs that the news about new fiction is catching on. For some time Granata at Cambridge has been spreading the word and making money by publishing new creative writing with Penguin. And next week the latest Fiction Magazine comes out.

You don't need to be Einstein to work out that it will consist mainly of fiction, to assuage the appetites of us addicts who cannot wait until the next novel. Short stories by Maggie Gee and Russell Hoban are firmly rooted in London. Saul Bellow sets his in Chicago; and George Mackay Brown in the Orkneys. Where else, for either of them? Well, quite a lot of places, but that is another story. Joshua Shtofinski (investigating the

death of the novel: prime suspect, Italo Calvino) finds himself located somewhere within the wild imagination of his creator, Clive Sinclair.

The magazine was founded a year ago with a grant of £3,000 from the Arts Council, which still pays its contributors a minimum rate (peanuts). It is carried on by the generosity and enthusiasm of lovers of fiction; like my friend and colleague Philippa Toomey, who has just lent it a bit of her inheritance to keep the presses turning.

In its brief life it has published some notable scoops that turn other literary editors green with envy. There was a delightful interview between Ishiguro and Timothy Mo. And the issue devoted to new Irish writing, including all the pros and the prose of previously unread stars, was a notable coup. Cries of jealousy and admiration from Webb and Tomalin and other literary editors could be heard a mile away from Fleet Street.

The magazine's editor, Judy Cook, sees its prime function as discovering and introducing new writers, and providing them with a regular platform. It can keep the links between writer and reader in the long wait for the next novel, or the long gap between hardback and paperback publication.

I can see that commercially it is a fairly dicey project. How many people want to read fiction, for Jane's sake, when they can read politics, gossip, crime, and all the other raw material of life in the daily press? Well about 10,000 an issue at present, mainly buying their quarterly dose in the newsagents such as W.H. Smith and Meuzies, sneered by the bien-pensants.

It is a deplorable development. And we had better keep quiet about it. If word got out that reading the best writing by our brave new writers was more fun even than reading newspapers, it might catch on. And that would never do.

Int net for

A SPECIAL REPORT

This week's successful launch by a European rocket of a US satellite is balanced by trade union opposition both to moves to break the monopoly position of British Telecom and competition by the private Mercury group. We also look at the new telephones and developments in cable and satellite television.

Telecommunications

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In the last decade telecommunications and its political control has become an extremely sensitive issue both home and overseas. The British Government's attempts, which were to begin in 1980, to liberate the British telecommunications industry from the dominance of the state controlled British Telecom - then part of the Post Office - were to highlight those sensitivities.

Competition would stimulate the electronics industry, commerce and ultimately the economy as a whole since telecommunications was as important an ingredient in successful business activity as was finance, energy and transport. The advances of telecommunications was a measure of the efficiency of the industries which depended on them. That was the theory.

Despite the political difficulties experienced in the past three years the British Government has remained convinced that the monopoly enjoyed by British Telecom for 60 years must be broken and that British industry must innovate to compete with any threat from overseas suppliers. That foreign competition will be on show next week in Geneva at Telecom '83 (October 25-November 1) where the world's telecommunication equipment designers, manufacturers and suppliers will have their products on show. The British flag is to be flown through a joint effort by British Telecom and the principal manufacturers in the UK - Plessey, GEC STC and TMC.

It is a curious partnership because the relationships between the companies have been subject to a whole series of stresses in the past three years, fuelled by the Government's attempts to encourage the private sector to compete with British Telecom.

The first moves were made by Sir Keith Joseph, then Secretary of State for Industry, who in 1980 outlined the blueprint for a new approach to telecommunications and one that would be the envy of the world. No longer would the British market be dominated by the state. Other suppliers would

be able to provide services and the customers would benefit by being able to buy their telephones from whoever they chose.

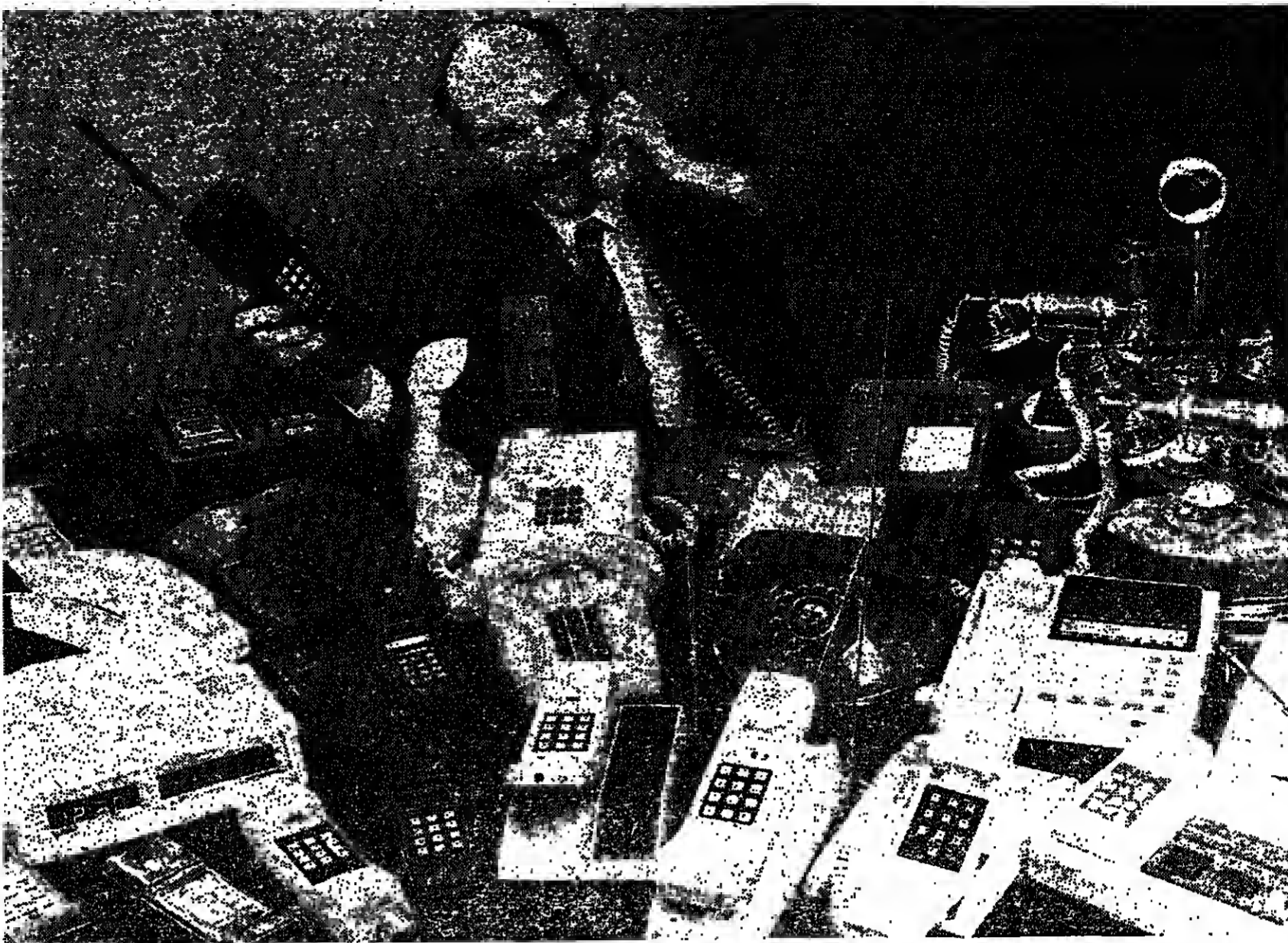
The theory was flawless but the reality something different. The vehicle for that transition was the British Telecommunications Act which became law in July, 1981. It not only split the postal and tele side of the Post Office from the telecommunications arm of the corporation, creating British Telecom, but it was to empower the Secretary of State for Industry to award licences to commercial interests wishing to compete with the state corporation.

By February, 1982 a licence had been granted to one such commercial enterprise, Mercury, a consortium of Cable & Wireless, BP and Barclays Merchant Bank. The trade unions led by the Post Office Engineering Union which represents more than half of the employees of British Telecom was never keen on liberalization because of the danger of a flood of foreign imports, but declared its opposition to the Mercury consortium and vowed to oppose it in any way possible.

The whole liberalization policy however had got bogged down. Small manufacturers wishing to compete in equipment supply were to complain constantly that British Telecom which played a crucial role in determining whether products were technically acceptable was not responsive enough and the time delays were unacceptable. Independent suppliers were to be further annoyed and the Government embarrassed by the expansion of British Telecom into new areas of business activity covering the complete spectrum from the supply of advanced business systems to cable television.

Although it had been discussed for some time, the reality was inescapable. British Telecom itself should be put into private hands, allowing it to grow and modernize at its own pace with freedom to raise the necessary cash from the city.

That meant another round of legislation, a new British Telecommunications Act. It would



Give somebody a ring! Both British Telecom approved and non-approved equipment now available. Robert Swains, who runs the Empecey Telephones concession at Selfridges, London, has more than one hundred telephones and answering machines on offer. Picture by Heini Schneebeli

have been law had it not been for the timing of the general election. Its passage although never seriously threatened in the House of Commons was to be troublesome. Even some Conservative backbenchers, stalwarts of privatization and opponents of state control, were worried about the dangers which might face rural telephone subscribers. The new British Telecom was to be a commercially driven company, so would emergency and rural services be cut to the minimum in pursuit of maximum profits?

The industry itself was dissatisfied and is still not content. Sir Keith Joseph had emphasized in 1980 that no foreign company would be given a licence to supply equipment to the British market unless the application was accompanied by assurances that would result in "real reciprocity". The idea was simple but politically naive. Joseph was soon to find that the constraints imposed by the rules of the EEC and GATT meant that he could not protect the home industries if he liberalized the market. There has been an avalanche of foreign goods on to the British market but these are early days.

The flagship of the British telecommunications industry, System X, was to flounder badly in foreign markets. The system originally designed to be used at home and to attack the markets of the old commonwealth was having trouble competing. A marketing group set up in 1981 to promote the product overseas was proving ineffectual and had only managed to complete one sale which was to a British company-Cable & Wireless which bought a small £2m exchange for installation in the West Indies. By the beginning of this year the partnership which designed and built the electronic exchange had broken up. Standard Telephone & Cables (STC) withdrew from the consortium, leaving Plessey, GEC and British Telecom. The marketing

company was disbanded and its responsibility divided between Plessey and GEC. But the liberalization policy was still being pursued albeit modestly. The breakup of the telecommunications giant American Telephone and Telegraph (AT&T) and the sale of its local operating companies meant that the United States market was going to be more competitive. Britain should follow suit. Moves by the Japanese to privatize Nippon Telephone and Telegraph (NTT) and possibly break it up into local operating companies were to convince the Government that it was on the right road.

The major suppliers to British Telecom-STC, GEC and Plessey - were not convinced that the strategy was right since the corporation still had a dominant role. They requested, through their trade association, that the amount of equipment which British Telecom should be allowed to supply be limited to a fixed quota. They ideally wanted the corporation barred from the supply of any equipment. They compromised for a quota - and got nothing in the end. But the development of satellite transmission and cable television in the United States had caught the imagination of

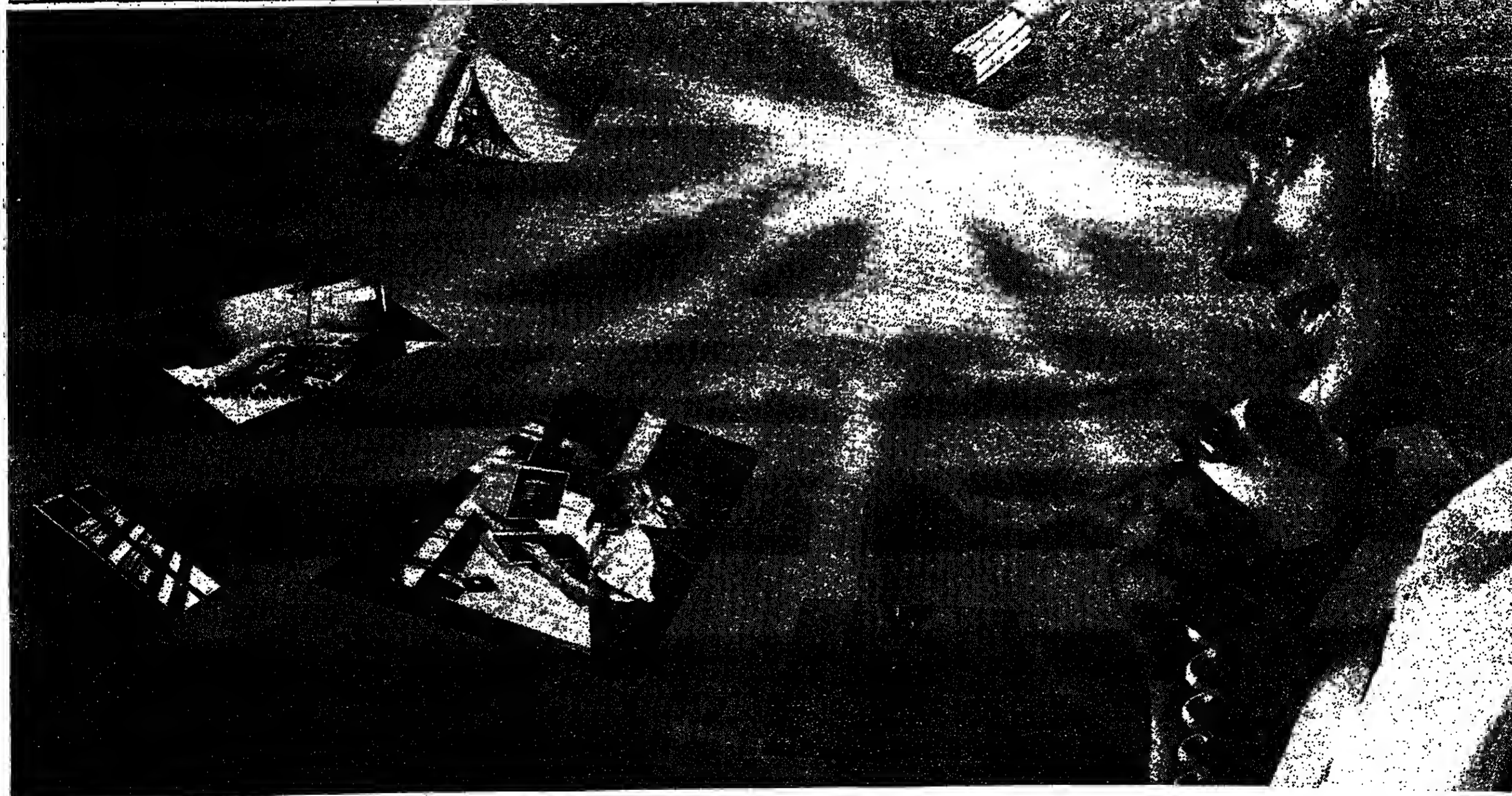
the industrial advisers to the Cabinet Office.

More than £85m a year is now being spent by Britain on research development projects on space. The monies are culled principally from the resources of the Department of Trade and Industry and the Science and Engineering Research Council. About 75 per cent of that funding is spent through Britain's membership of the European Space Agency (ESA). In Britain the design and manufacturing capability on satellites and the necessary electronics is spearheaded by British Telecom, British Aerospace and Marconi.

Cable television has been given approval for expansion despite many months of argument between the Home Office, which views itself as guardian of the broadcasting airways, and the Department of Trade and Industry which is committed to stimulating the electronics industry and will use any vehicle to that end. A Cabinet electronics report, prepared by the Information Technology Advisory Panel (ITAP) and published in March 1982, called for approval to be given to the early expansion of cable television. One third of a multichannel system, typically 10 of 30 channels, ITAP claimed were to be devoted to services such as shopping, banking, voting and a whole range of services on these "home telecommunication" networks. The Government is presently deciding which 12 applicants from a batch of 37 will be given the first franchises for multichannel cable television in Britain.

A new telecommunications market stimulated by the breaking of British Telecom's monopoly, the expansion of cable and satellite will be created in Britain but how much of that can be commanded by British suppliers only time will tell. The exhibits at Telecom '83 will give them a taste of that competition.

Bill Johnstone
Electronics Correspondent



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In Britain's System X, in satellite and cable, in fibre optics and broadband, Plessey is committed. In private business exchanges, data networks,

telex, teletext and integrated office systems, Plessey involvement is complete. Plessey works around the world, in more than eighty countries.

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To find out more, contact John Pollard, Plessey Telecommunications & Office Systems Limited, Beeston, Nottingham NG9 1LA. Telephone: Nottingham (0602) 254831 Ext. 4251. Telex: 37201.

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BT dominant, and growing stronger

British Telecom is a company in transition. It has been since the Government's announcement three years ago that the British telecommunications market was to be liberalized and the corporation forced to compete with the private sector.

Under the astute chairmanship of Sir George Jefferson, BT has been divided into profit centres, with each responsible for its own schedules, productivity and even advertising budget.

The change, though far from complete, has disturbed many manufacturers in the telecommunications industry and even some Conservative backbenchers who supported the Government's policy.

On the industrial side the discontent stems largely from those who have witnessed BT confidently expanding its activities, word-processors, micro-computer systems and cable television expertise. BT is still a dominant force in the telecommunications market and there is every indication that it will retain that status for many years.

Its modernization programme, now in the region of £2,000m a year, makes BT the most attractive customer in the UK telecommunications industry. Suppliers ignore its wishes at their peril. That influence, many in the telecommunications industry maintain, makes a mockery of the Government's policy on telecommunications.

It is that influence, if the Government's intention to sell 51 per cent of the corporation is implemented, which is disturbing many MPs of all parties, including some Conservative backbenchers.

The new British Telecommunications Act will become law during the next session of Parliament. That will transform BT into a private company whose shares can be disposed of by the Secretary for Industry. He intends beginning that disposal next autumn.

The anxious MPs are frightened that the corporation will be transformed from being a publicly-owned monopoly to a privately-owned one with little accountability to government.

The fears have been allayed by Government assurances that BT must abide by the conditions outlined in a licence to be awarded by the Secretary for Industry. This licence will be the subject of heated debate from both sides of the House, particularly from members who want to be confident that emergency services, rural telephone services and telephone kiosks will still be provided and properly maintained.

The corporation is a political hot potato and will continue to be so even after privatization. It is that factor which has worried the Treasury, the Department of

Trade and Industry and the City advisers who are masterminding the sale of the corporation's shares. Will a corporation constrained by a restrictive operating licence, requiring it to provide non-economic services from profits in other areas, be an attractive proposition for investors? Will these responsibilities and the political outcry every time there is a tariff increase discourage future investment?

The sheer scale of the proposed BT issue is another major problem. Depending on the accountancy convention used, the company's assets vary between £10,000m and £16,000m. Fifty-one per cent of the company would be worth at least £5,000m. The flotation of one share of such size on the market may prove to be impracticable.

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Profit-maker: BT chairman Sir George Jefferson

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New network's mercuric rise



Intriguing developments: Derek Evans, Chief Executive of Mercury

When Mercury Communications received a licence in February 1982 to build a privately owned national network competing with British Telecom, it was obvious that a new era was about to open in this country's telecommunications. But just how far-reaching the changes would be was much less clear.

To many observers, it seemed likely that Mercury would gain most of its traffic from large business users who wished to send streams of data at high speed over leased lines from one company location to another. Today, the picture is very different.

Mercury's licence allows it to offer a switched service, for both voice and data, putting the company on a par with British Telecom as a national carrier. Mercury has also overcome a number of hurdles to gain the freedom to operate as an international carrier as well.

The next step could be the extension of Mercury's services to the private telephone user, providing a true alternative from top to bottom of the telecommunications market.

Shareholders in Mercury are Cable & Wireless and British Petroleum, with 40 per cent each, and Barclays Merchant Bank with the remaining 20 per cent. These three partners have to date put up £39.6m - money which has either been spent or is firmly committed.

Apart from funding the venture and having non-executive directors on the board, the three shareholders play no direct role in running Mercury. One aspect of the original Mercury announcement which caught the public imagination was the scheme to use optical fibre cables running along British Rail tracks.

The main snag was that using BR's tracks in this way could have resulted in liability for Development Land Tax. That problem has now been resolved satisfactorily, and in September an agreement was signed with BR which allows Mercury to go ahead with its initial plan for a figure-of-eight network, centred on Birmingham.

The southern loop will take in London and Bristol, and the northern loop will connect with Leeds, Manchester, and Stoke-on-Trent. There will be smaller subsidiary loops, and when the full figure-of-eight is complete by 1985 BR can expect payments from Mercury of more than £2.25m a year.

Mercury did not wait for ordering optical fibre cables. In July contracts worth about £8m were placed with GEC Telecommunications for 120 miles of cabling, and with BICC



Another advantage of monomode technology is that the regenerators which boost the signal along its route need only be spaced at intervals of 25 km (15 1/2 miles). A 140 Mbit/s system using multimode fibres requires regenerators every 3-10 km (3-6 miles).

While it is pursuing the high-technology route with optical fibres, Mercury is meeting immediate demands for service with microwave radio. Links are already operating in London using roof-top dishes for line-of-sight communications, and the first connection between London and Birmingham will be achieved with a chain of six microwave sites.

This inter-city link should come into operation before the end of this year, together with the Birmingham city service.

After that it should be optical fibres all the way for the United Kingdom network. The London to Birmingham microwave link will be replaced by fibres late in the third quarter of 1984. By the end of next year, there should be optical fibres linking London to Bristol, Birmingham to

Manchester via Leeds, and Birmingham to Bristol.

The initial network will be completed with an optical fibre link from Manchester to Birmingham via Stafford in the second quarter of 1985, and a London optical fibre ring should be in place a little earlier.

Local distribution to customers' premises will be by radio, using cellular techniques which help to conserve frequencies. Before long, though, some city subscribers may be able to connect to a cable network.

Agreement on wayleaves is the key to this development. Mercury is keeping quiet about who it might be negotiating with, but there are obvious candidates. The tunnels of the London Underground and the now-disused network of London Hydraulic Power are just two possibilities.

For international communications, an agreement was signed with British Telecom International last December giving Mercury access to space segments on satellites where BT acts for the UK as a whole. Since then, Mercury has taken steps to secure links of its own.

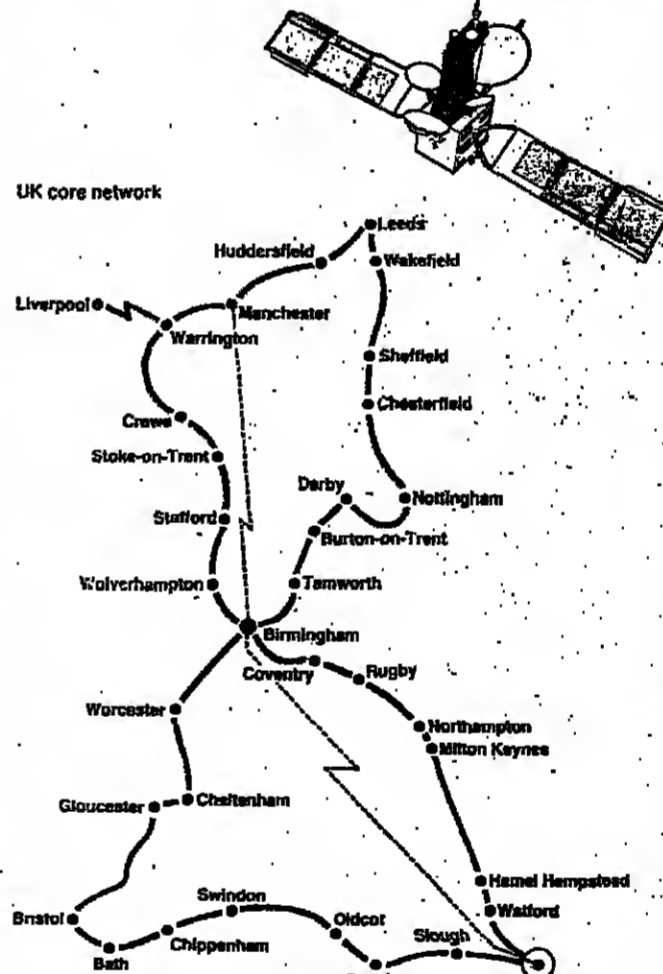
It has booked capacity on Intelsat V, which is due for launch early next year, and also on the French Telecom satellite, which is expected to be in orbit in the autumn of 1984. On the ground, Mercury has ordered its first earth station from Marconi, at something over £2.25m, and this may be sited close to Oxford Airport.

At the simplest level, Mercury will offer cable TV companies trunking facilities to send material from one local operation to another.

Already Mercury is talking to the companies which are seeking cable TV licences, and offering some form of partnership which would exploit the house connections which will have already been cost-justified for entertainment services.

The really exciting developments for Mercury still lie in the future. At present it is offering only leased lines, and its operations are limited to London. As the network develops switched services will become practicable, possibly at the end of next year. Traffic should then build up as more cities are linked into the system.

Will Mercury succeed? The company believes that once the service is there the customers will appear, perhaps in vast numbers. The three shareholders have so far staked nearly £90m on the belief that these predictions are right.



Mercury's planned optical fibre network running along British Rail tracks

Manchester via Leeds, and Birmingham to Bristol.

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Roger Woolnough

The union at the centre of the row

The engineers' unlikely quarrel

Unions in the telecommunications industry have found themselves in the unlikely role of leading the attack on the Government's plans to cut back the size and influence of the public sector.

In the vanguard of the campaign - against both privatization of British Telecom and the opening up of competition by the private enterprise Mercury group - is the traditionally moderate Post Office Engineering Workers' Union.

The union has for years been part of the right-wing hulk of the TUC row in the academy. Although its membership remains essentially conservative, the leadership swung dramatically to the left in elections during the summer, with the result that the campaign of industrial action is now being pursued with renewed vigour.

The campaign of "guerrilla" action intensified this month, involving more than 1,000 engineers in BT's international telephone exchanges. Management has retaliated with widespread suspensions, and by moving senior managers into three exchanges in what was described as a "military-style operation".

A left majority on the union executive contains an influential



Bryan Stanley

grouping of Militant Tendency supporters, but there is little sign of dissension among the membership with the leadership's tactics. Ordinary members may not share the executives ideological opposition to privatization, but they are worried about job security and the future of the industry.

A special conference of the POEU in September decided to look for further ways of bringing pressure on the Government, although the actual strategy has been left to the executive. That strategy has now unfolded, with the union taking action in areas which will have the most impact on BT's lucrative business and international traffic.

It is linked to continued action designed to disrupt Mercury's operations as fledgling groups start their full-blooded competition for the business market which provides BT with a large slice of its profits.

The target for action against Mercury has been its three shareholders - Cable and Wireless, Barclays Bank and British Petroleum. Members have been instructed not to respond to BT requests for repairs at their head offices, and in turn, BT has suspended engineers obeying union instructions.

POEU members are also refusing to carry out any work which links Mercury's circuits to BT equipment and so far the link-up work has been done by managers. The union is seeking the support of other affiliates and is reminding TUC unions of the decision taken at Blackpool in September to carry out a

concerted joint campaign against privatization in any industry where jobs were threatened.

BT now employs about 240,000 people and the POEU fears that many thousands of jobs are likely to disappear as telephone exchanges become more mechanized. Privatization of BT would give an added impetus to job losses, union officials fear, and they argue it will also lead to a reduction in the quality of service to the customer.

The six telecommunications unions spent more than £500,000 to promote their message in the first union campaign against the Telecommunications Bill, which ran out of time when the General Election was called in June. The only real industrial action during that campaign was a one-day strike in October in which three of the unions participated and since then the POEU has effectively been on its own in adopting a militant posture.

The best indicator of the POEU's determination to take on the Government, however, is what is an overtly political dispute - likely to be its attitude to the legal action

Continued on page VI

The big temptation to shop abroad

British Telecom began hinting that the liberalization of the telecommunications industry would not necessarily mean a bonanza for British industry earlier this year. Mr Charles May, BT's director of research, first sent a shudder through the telecommunications equipment industry when he explained at a private meeting in March that if BT became a private company it should buy most of its equipment from abroad. He said that given the choice he would personally recommend that more equipment was bought from Japan, Sweden and Germany.

Subsequently his thoughts were reinforced by Sir George Jefferson, chairman of BT, who said that there was much room for improvement from the British industry. He indicated that as a prelude to privatization BT was considering shaking up its traditionally cosy relationship with its main British suppliers, GEC, Plessey and STC. Although BT still takes about 80 per cent of its equipment from the big three, Sir George made it clear that BT had already begun talks with IBM, ITT and American Telephone and Telegraph about importing large quantities of United States built telecommunications equipment.

Later BT denied that its official policy would be to buy from abroad.

However the comments are deeply embarrassing for the Government which originally dreamed that the privatization of BT would open up huge new markets for telecommuni-

cations equipment for British industry.

When the Government first mooted the possibility that BT would be privatized it took the view that a host of new entrepreneurial companies would spring up to take advantage of the new markets, particularly for customer equipment, that would be created once the BT monopoly ended. The United Kingdom market for customer equipment is estimated by consultants, PACTEL, to be worth about £230m this year. The market splits five ways with £100m of orders available for small private exchanges (PABXs), about £50m of orders for large PABXs over 100 lines, a £30m market for special telephones, £30m market for key systems and a £30m market for other equipment including facsimiles, answering machines and peripheral telephone devices.

But the original strategy which was designed to shake BT's cosy relationship with its traditional suppliers by providing market opportunities for British firms is not working in the way that was originally intended. To date very few new products have reached the market from private industry.

The established suppliers like GEC, Plessey, STC and TMC are more concerned about BT's threat to buy major items of equipment from abroad than the additional competition provided by a new breed of companies entering the customer equipment market. Ironically those new companies

which have been established are tending not to compete direct with BT for customers. Instead they are tending to compete for work with BT which still has dominant position in the supply of telecommunications service.

BT has also made it difficult for the smaller companies at local level by responding quickly to the changed marketplace.

BT has established 61 regional profit centres to deal with the problem which are able to supply both the basic telecommunications service and customer equipment. In addition BT is building a close relationship with ICL, Britain's leading computer company to offer a new range of products in office automation.

The market for both small

and large PABX's has attracted most attention from new companies hoping to take advantage of liberalization.

Merlin a small company in Gloucestershire, backed by £1m from the City investing institutions, is one company which has braved the problems to take on the giants of the industry. It is offering subscribers a new

small digital private exchange in one of the first moves to break the traditional BT monopoly in the supply of such equipment. Others who have joined the fray include Small Systems Engineering, while BT is maintaining its competitive edge by continuing to offer its smallest exchanges like GEC's Senator and TMC's Ensign, which serve as

few as four extensions for about £1,000.

Progress has also been hindered by the delay in establishing technical standards for the new exchanges by the British Standards Institution in conjunction with industry. A number of interim measures have been agreed to speed up liberalization but the delay in setting proper standards means that the real benefit for liberalization in this area will not be felt until next year. Even then buyers are advised not to buy equipment for a few years at least by which time standards will be agreed and there will be true competition and lower prices in the marketplace.

In the meantime Plessey and GEC have both decided to import some PABXs until they have time to develop new systems of their own.

More progress has been made in introducing cordless telephones. The Home Office allocated frequencies for cordless phones earlier this year and the first legal products came onto the market in the Spring. Fidelity Radio, which launched a new cordless phone in conjunction with BT in April estimates that the UK market for the phones could reach one million units a year by 1987. In 1984 Fidelity is looking for a market of about 200,000 units. The latest cordless phones cost about £170 each and employ a small radio link which allows the handset to be used up to 600 feet from the main telephone.

Fidelity has been followed into the UK market by Plessey, Answercall Geomaro and An-

swerspieces, which are all British manufacturers meeting the Government's stipulation that the equipment should be made in Britain as soon as possible with a high proportion of British parts. Fidelity plans to produce about 170,000 cordless phones each year from its factory in West London, while Conversation Pieces will initially assemble a Hongkong designed phone at its Cheltenham factory and will manufacture about 25,000 phones each year.

The ambitious estimates of demand for the new phones stem, in part, from BT's estimate that there are currently 200,000 illegal cordless phones in use in Britain which contravene Home Office rules on wavelengths.

The other major potential market for British companies is the relatively simple production of products like fancy telephones, where companies like Conversation Pieces and Astral Telecom are making some headway. Small private companies are also making items of equipment like telephone printers, answering machine and extension phones.

What the Government has yet to discover is whether liberalization will eventually lead to more jobs and a better deal for the consumer, or whether BT's dominant position will be used to squeeze British companies by using its new found freedom to buy from abroad.

Andrew Cornelius

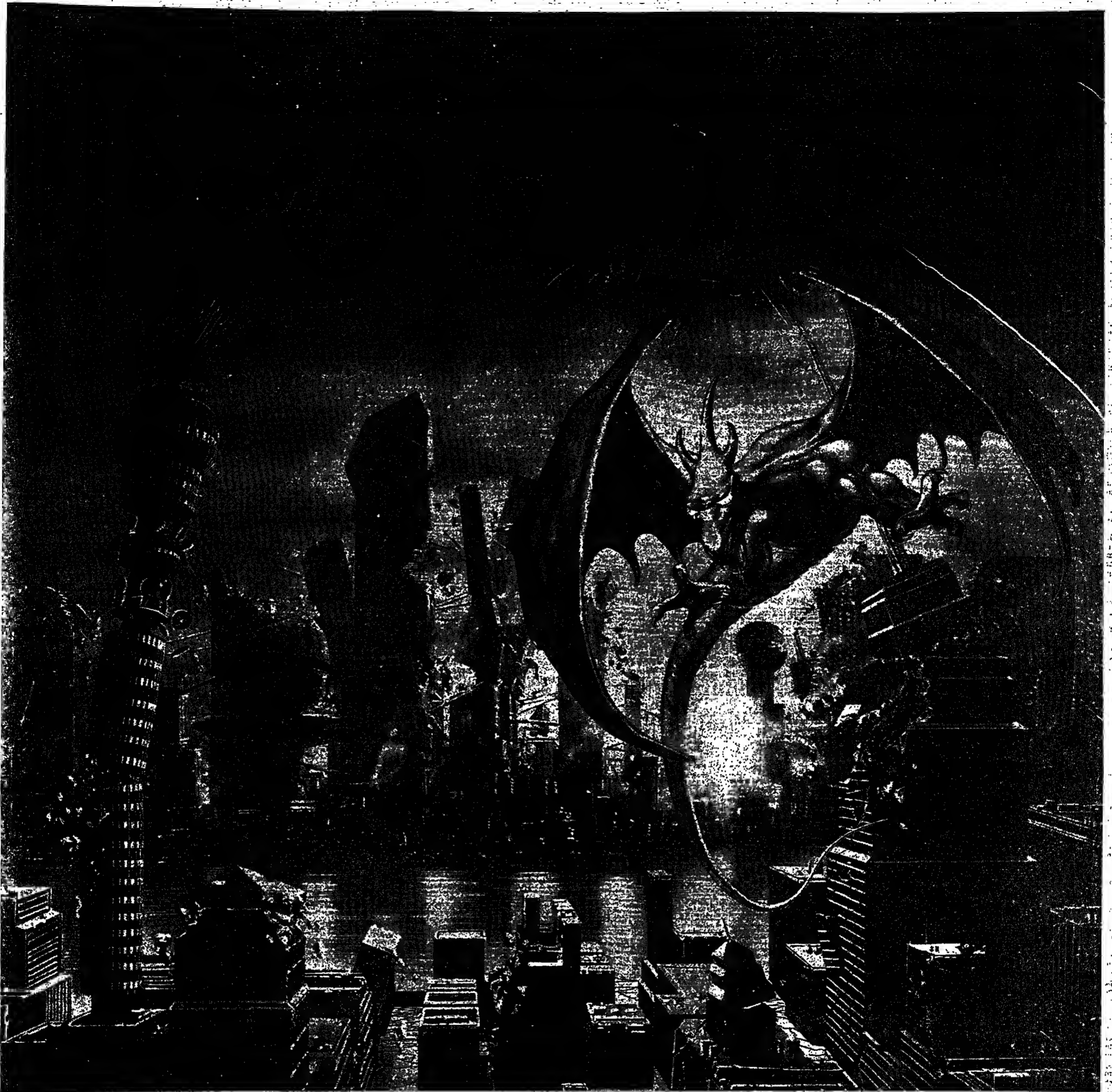


Ready to ring: production line at Plessey

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Putting expansion on the line

Business systems as an annual market in Britain now worth well over £200m, and growth rates as much as 20 per cent a year are being anticipated. As sales volume grows prices are still tumbling, although more sophisticated equipment is constantly being launched to add to the expansion.

This explains the scramble by so many companies to sell both hardware - the machines and gadgets - and the software programming material.

There are around 30 key suppliers of business systems equipment, with many more creeping into the market usually with more peripheral products. About 10 are spending heavily on television advertising to spearhead their promotional drives, and even more have extended campaigns in the printed media, especially the colour magazines.

Business systems

may shift out of line from time to time so shopping around is sensible.

But the priority for any business is to get the right software package for its own special needs. Mr Nicholas Staveley, head of marketing services at BT's Merlin division, said: "From that point of view the hardware is not as price-sensitive as it would otherwise be. Even though prices will come down it will not necessarily mean businesses will be spending less."

In the professional personal computer sector, which since IBM's entry into the market has shed its plaything image, prices could come down by 10 per cent a year for the next few years, according to some trade forecasts.

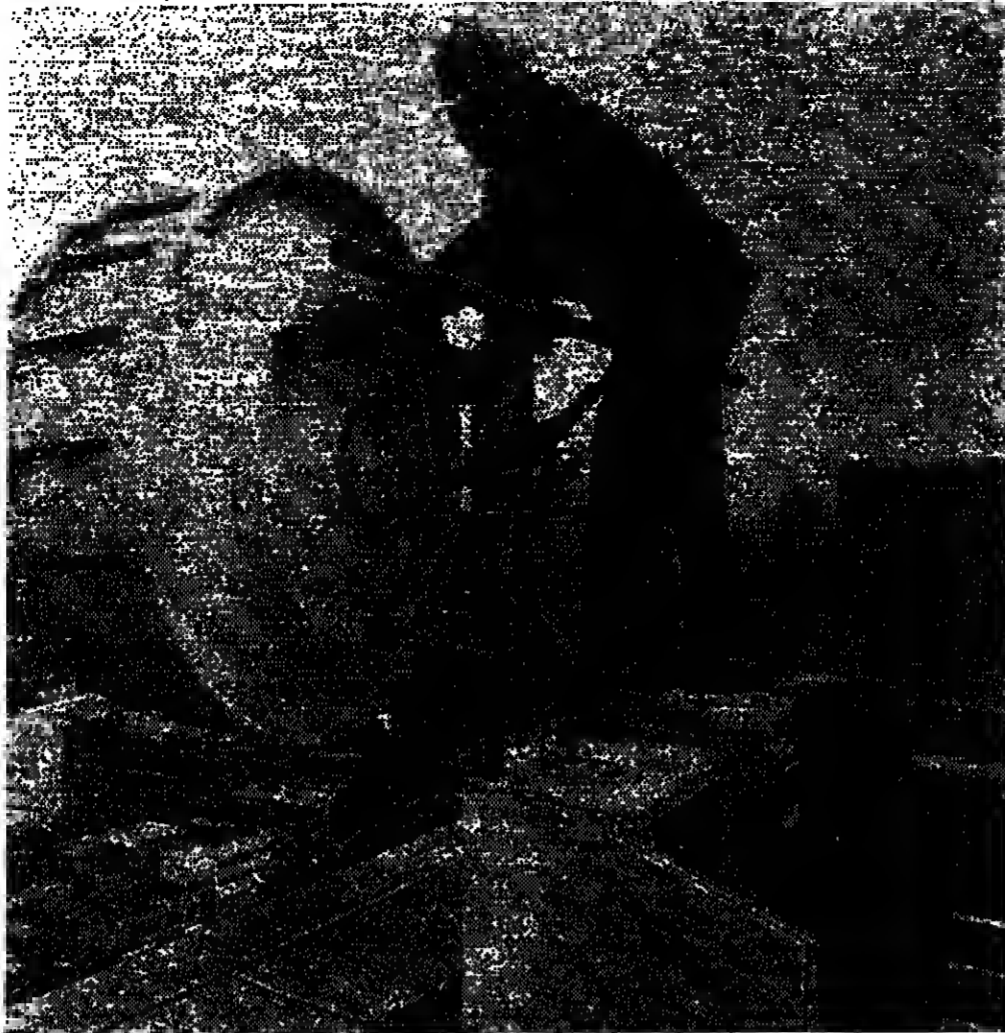
These computers, providing high-density workstations for the executive for around £3,000, have more than doubled their worldwide sales this year. Dataquest, the market researchers, suggest that the worldwide market could grow from £6bn this year to more than £34bn by 1987.

Electronic typewriters are selling at an annual rate of around £70m while traditional typewriters, mostly electrical, are worth just under £12m a year, according to trade estimates.

Word processors, including those with full page capacity (a sub-sector worth about £9m a year), have annual sales of about £70m. Shared workstations probably add another £20m in sales. About the same annual sales value is attributed to personal computers with text processing, including hard-copy printers. Various add-on components to the electronic typewriters are thought to be selling at a rate of more than £5m a year.

In these fast-moving markets there are obvious overlaps in definition. Nevertheless, taking account of the growing contribution of software, a business systems total market in Britain of £200m is probably a conservative estimate. Some in the trade believe the annual value is now nearer £300m.

In the desk-top business computer market prices can be as low as £600 to £1,000. But typically companies are spending around £7,000 on a new system, according to Mr Staveley at Merlin.



Engineers working on a microwave dish providing data links in central London.

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People in the market will probably continue to get closer to the problems of different types of business and software and hardware packages suitable for a particular industry are now being created. The latest example of this is the Modulus system for retail travel agents, designed by Tourism Technology and backed by the Association of British Travel Agents (ABTA). ABTA has just concluded an exclusive United Kingdom sales and service deal with BT's Merlin division.

It is a modular system allowing for expansion, and catered for everything from single-outlet agencies to the big chains. The main price range is

from just over £5,000 to rather more than £12,000, including all the specialist software.

Systems appealing to other large groups are now in prospect. In agriculture co-operative marketing has already taken hold. The medical sector is another possibility. So are other professions and trades where specific software programmes could be produced to meet their special needs.

The next generation of personal computers is likely to be able to operate with a wide variety of software from most manufacturers. A screen with multiple "windows" could have separate applications running in each window. In software the main thrust is expected to be towards ease of use by the executive at the workstation.

Electronic mail systems are expected to develop further with direct terminal-to-terminal messages.

Videoconferences are another likely development, following the growing adoption of sound-only systems which employ microphones and a telephone link. British Telecom has a couple of videoconference systems on trial and plans an extended trial involving some 20 companies.

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After Mickey Mouse how about Snoopy?

Now British Telecom is no longer the sole supplier of telephone equipment in the home competition is bringing a flood of new products into the shops - and some possible confusion for the householder.

Rent or buy? That is one question. There is also the proliferation of new equipment from telephones that remember numbers - and dial them at the push of one button - to the cordless sets which are now starting to be approved. Automatic redialling is becoming another feature.

How about a Snoopy phone shaped like the cartoon character? That is a new addition, after the Mickey Mouse phone, to British Telecom's own offerings in the sector known as decorator phones which also include the various antique and decorative chinaware styles.

More of what the Americans call fad phones, exploiting the more passing fashions like the latest sci-fi here, could be on the way. The United States, with a more mature free market in telephones, has seen a rash of fad phones.

Harrods, which like other retailers has been stocking an increasing number of telephones as demand has increased, now has 20 different models on offer. British Telecom itself has nearly as many. One Danish model at Harrods, which stores addresses as well as telephone numbers in its memory, costs £461.

A cordless phone now approved for use in Britain, the Wanderer made by Fidelity, a British company, is selling at £223 in Harrods. It can take calls or dial them out through the base telephone at a distance as far as 600 feet. Some rather more expensive cordless phones are offered, but not yet approved for British use, have a range of up to seven miles.

Cordless phones link to the main base telephone by radio and are powered by batteries which either need replacing with a quick-fit cartridge or more usually have to be recharged about once a week.

The slowness in approving cordless telephones for the British market is largely because of possible problems with creating interference with other users of radio bands. Home Office regulations have to be met.

The only other cordless phone approved so far is British Telecom's own, the Hawk, which is also manufactured by Fidelity. It is being priced at around £170 and is likely to be sold outright by British Telecom rather than following the

normal practice of offering a rental deal as an alternative to buying.

Making a decision as between renting or buying depends to some extent on the costings for specific instruments. Take British Telecom's feature phone, the Sceptre 100, which incorporates a clock, read-out of a call made, a numbers memory and a re-dialling facility as its main features.

It can be bought for £79.95 and there is an optional phone-care service costing £1.35 a quarter from November 1 when some charges are rising.

On rental if the Sceptre is used as the main telephone there is a common connection charge of £30 with quarterly rentals of £2. If used as an extension phone the quarterly



The Snoopy phone, a new addition to British Telecom's decorator phones. There are also antique and chinaware styles.

rental is £4.75 from November 1 but without the initial installation charge.

The Statesman, a flat-lying phone in the modern style with push button dialling, can either be bought for £35.95 (with optional phone-care service) or, if it is the main telephone, there is a £17 connection charge with no quarterly rental. As an extension it attracts a quarterly rental of £2.75 from November. All the selling prices include Value Added Tax.

There is another complication. The extension telephones of approved design come with a jack plug. (Approved telephones display a green circle sticker, non-approved a red triangle. The non-approved should not be connected to British Telecom installations. That could mean rapped knuckles or even the loss of the telephone line.)

British Telecom will install jack plug sockets. It costs between £25 and £28 for the first from November and, if the

work is done at the same time, £12 each for additional sockets. VAT has to be added. Quarterly rentals are being dropped.

Telephones with special features like memories are emerging as fast as designers can come up with new ideas. There is call-bearing equipment with which the telephone owner can usually at the turn of a key, bar the making of international calls or long-distance calls within the UK. Those from British Telecom cost £40 to connect and £1 a quarter in rental.

Equipment normally attached to small private telephone exchanges allow call diversion allows a subscriber to programme his or her telephone to divert calls to another selected number. This typically costs £10 for the connection from November and £25 a quarter in rental. Call waiting equipment allows incoming calls to be marshalled into a queue.

Although 23 per cent of Britain's 20,500,000 households still have no telephone the biggest growth in the telephone market is expected to come from an increase in extension phones, according to British Telecom. Some 14 per cent of households with phones now also have extensions and this proportion is expected to at least double in the next ten years.

The major growth will be in cordless phones, according to a new survey. Home Telecommunications by Mechanical International, the consultants. As an annual market cordless phones are expected to grow from 30,000 units in 1982 to more than 780,000 units in 1987. By then feature phones are expected to be selling at 250,000 units a year.

A number of companies are developing cordless phones for the British market. One of the stipulations for approval of cordless phones is that their manufacture brings advantages to Britain as with employment. Among the companies developing cordless models are Plessey, Answercall, Conversation Pieces, Geomarc and Binatone.

All cordless phones are expected to be restricted for use as extensions at any rate until British Telecom loses its monopoly on primary phones in 1984.

Derek Harris
Commercial Editor

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All of which brings us to this phone's greatest attribute of all. The part you don't see.

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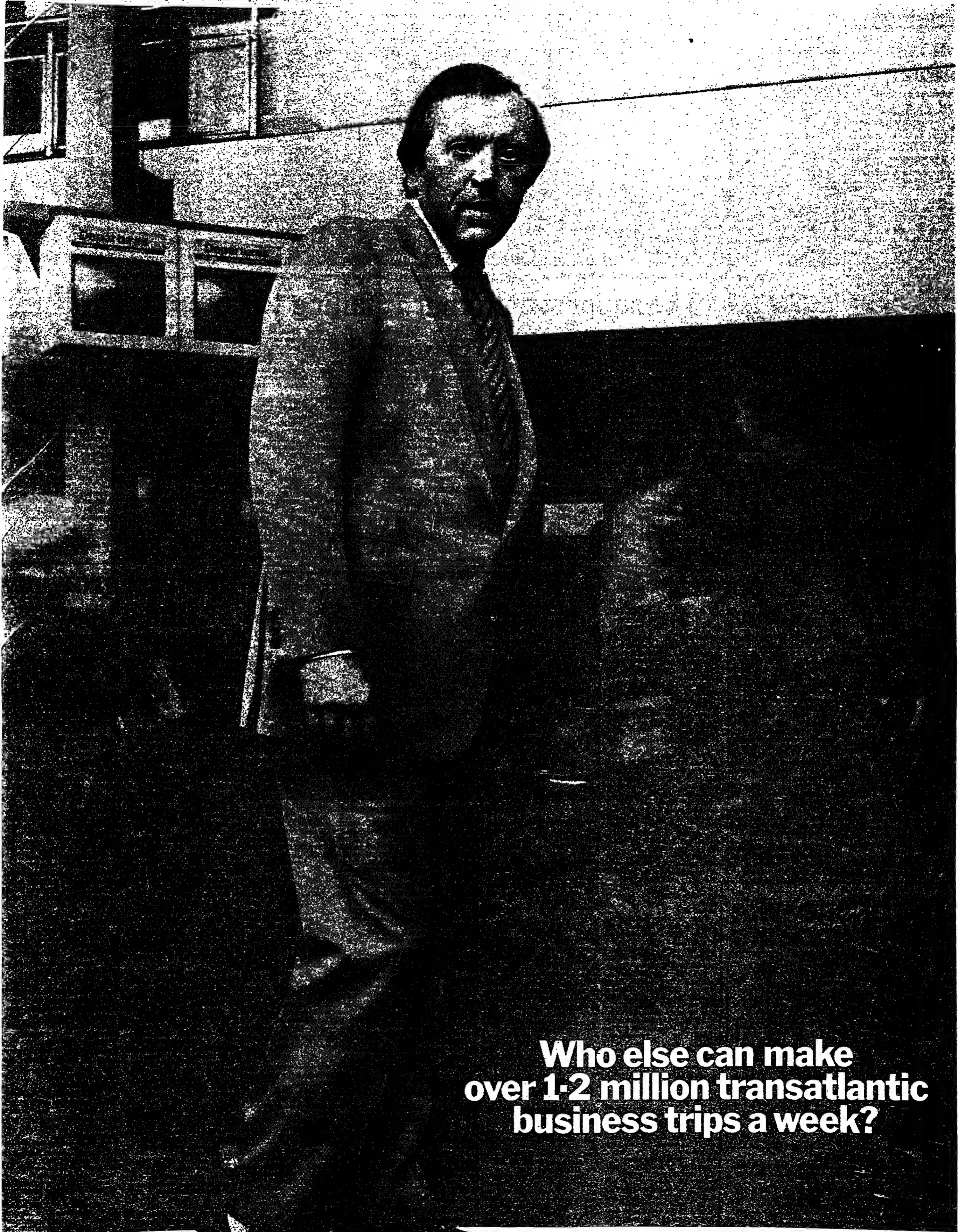
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Or you could come and see us at "Telecom 83" in Geneva. (If you see you-know-who in the departure lounge, give him our regards.)



Engineers on the attack

Continuing from page 11

aimed at stopping the disruption started by Mercury. The company's writ, based on the Government's labour laws, call on the union and its general secretary Mr Bryan Stanley to rescind instructions to members taking industrial action. It is ironic that Mr Stanley is named, because he has been less enthusiastic about the campaign than his executive.

Official TUC policy is to ignore the legislation and the FOEU executive might be expected to follow that line, although it would risk leaving union funds open to sequestration by the courts.

Union officials accept that there is little chance of changing the Government's mind on privatization, although they believe they can cause sufficient difficulties to make BT an unattractive proposition when the time comes to float 51 per cent of its shares on the stock market next year. The union is also convinced that it can cause real frustration to Mercury's hopes of securing a 3 per cent segment of BT turnover.

The battles over privatization and Mercury are being conducted while the six telecommunications unions are desperately seeking ways of rationalizing their own organization through mergers and membership transfers. The process involves long drawn-out negotiations and a willingness to bury longstanding rivalry between technical and general unions.

A Communications Council aimed at producing closer cooperation between the unions was set up under the auspices of the TUC, with the long-term objective of a single union for the industry. However, progress has been painfully slow between the two main unions - the FOEU with 120,000 members, and the 200,000-strong Union of Communication Workers.

There has been a move towards a merger between the Society of Telecom Executives and the telecom membership of the Society of Civil and Public Servants. It was thought earlier in the year that the Civil and Public Services Association's 40,000 members in BT would transfer to the FOEU, but the right-wing CPSSA executive has now gone cold on the idea.

The Communications Managers' Association has very few members left in BT, so it would seem obvious to hand those members over to the FOEU. The FOEU also has about 6,000 engineers working in the Post Office, while the UCW (formerly Tom Jackso's postmen's union) has about 40,000 members in BT who are mainly women switchboard operators.

It is in areas such as these when exchanges and transfers of members seem the obvious route, that old prejudices and rivalries prove to be serious obstacles. Each union has its own traditions and heritage and is loathe either to give them up or to dilute them.

All are agreed on the need for a single union and the consequent strength of numbers in an industry where there is a closed shop, but historical differences are likely to make many years to overcome.

David Felton
Labour Correspondent

Number please? How 80 years have changed the face of the telephone exchange



Boys operating a telephone exchange at the turn of the century, and right, a woman operator with headset and speaker. Centre, System X, Britain's newest digital exchange.

Four years ago at the international telecommunications exhibition in Geneva (Telecom '79), Britain launched its new generation System X digital telephone exchange on the world market. Hitherto much maligned, it became a star of the show. The newly formed international marketing company looked set to conquer the world and reverse Britain's rapidly declining share of the world telecommunications market.

Next week sees the opening of the next of these major events in Geneva (Telecom '83). Sadly, it will not be a time to celebrate System X successes. In the harsh reality of one of the most competitive and demanding of all markets, with the exception of one small order from Cable and Wireless for an exchange to be installed in St Vincent in the West Indies, System X has not achieved a single export sale. In that same period telecommunications administrations (PTTs) and operating companies around the world have ordered millions of digital lines of competitive systems developed by foreign companies.

The super switch that is failing to connect

The digital public telephone exchange (or more appropriately, telecommunications switch) is the key element in the new so-called information technology age. The world market for telecommunications products is currently of the order of £34,000m a year and is growing more quickly than in most other manufacturing industries. But, above all, it is a leading high technology area in which it is vital for Britain to play a major role.

The world's telecommunications networks have developed over the last century, primarily to provide a means of analogue voice communication in which varying frequencies corresponding directly to the sound waves generated by speech are carried through a network of wires, cables, radio links and electro-mechanical switches. Recent new developments in microelectronics have provided both the technical and economic means to begin replacing this analogue network with new electronic digital systems.

Digital communication enables any form of information - voice, data or images - to be represented and passed through the network in the form of groups of coded digital pulses. Such digital systems offer many advantages over analogue systems in terms of technical performance and cost, but beyond these considerable advantages they represent the beginnings of a fundamental new phase of information exchange.

The new digital networks, and in particular the digital exchanges, are products of a convergence of the technologies of communications and computing. The computer, in the form of the microprocessor, has made it possible to process and store, at an ever diminishing cost, vast amounts of complex information which could not be handled by conventional means.

Computers within the digital exchange not only handle all the complex switching, control, accounting, subscriber services and maintenance functions, but also "talk" to computers in other exchanges, in data bases, in subscriber telephones and terminals.

Within the next decade much of the old analogue network will have become the new integrated services digital network (ISDN) and many of the humble telephone sets will have been replaced by computer-controlled work stations.

The cost of developing a complete range of these switches, from a small rural exchange with about 100 subscribers up to the large international gateway exchange with hundreds of thousands of connections, has become prohibitive to all but the large companies.

Philips put the cost of such a development programme, including adaptation of the switches during their life and to meet foreign market requirements, at about £1,000m. Yet, despite this high entrance fee, at least 20 companies in North America, Japan and Western Europe are in the business.

So why has System X not succeeded internationally, and what is its future? Technically there is little to indicate that it is not as good as, and in some cases much more advanced than its competitors. It failed overseas for two main reasons. First, the marketing effort just simply wasn't good enough. While competitors were selling

from the drawing board and offering greatly reduced prices to secure a market foothold, the British companies were holding back, waiting to make sure they had "everything right" before selling and then reluctant to horse-trade.

Secondly, Britain was up against competitors who enjoyed the total financial and political support of their governments. Contracts have often been part of a broader trade deal, often supported by low-interest loans. Presidents and prime ministers have been used to woo customers, and as we have seen in other industries, as well as telecommunications, Britain cannot compete in that league.

System X exchanges are being installed in the UK network. Four installations are now in service in the local network and 46 orders had been placed for local exchanges by the end of the last financial year, serving a total of about

158,000 connections. Twenty-four System X trunk exchanges are on order, with the first scheduled to come into service in July next year.

In terms of credibility, much hinges on the decisions to be taken in the near future by the Hill Telephone Company and Mercury Communications.

Plessey Telecommunications and GEC Telecommunications now lead the export sales thrust. Desmond Pitcher, Plessey's managing director, remains confident that System X will be a long-term export winner. Much of the System X technology is being incorporated in the next generation digital switch being developed by Stromberg Carlson, a successful US switching company which Plessey acquired last year.

India and China remain high on the list of eventual markets for the British switch, despite our defeat by foreign competitors in the first major round of orders from those countries.

R. J. Raggett
Executive Editor-International, Telephony Publish Corp.

Super telex comes in fast

If any section of telecommunications has an image problem, it is telex. The bulky and noisy electromechanical terminal, the slow speed of sending messages, and the likelihood of transmission errors have all meant that for many people telex has been something to endure rather than enjoy.

Now modern technology is transforming telex. Quiet terminals which closely resemble word-processors are coming out of dark corners and into the secretary's office. Advanced telex exchanges are in the offing, which will make call connections far more efficient.

And hovering on the horizon is a totally new service, Teletex - a kind of super-telex that will overcome most of the remaining disadvantages of the present service, and lower the cost of text transmission at the same time.

It says a lot for the sheer usefulness of telex that it has flourished in spite of its drawbacks. The number of UK

connections is now around 100,000, and the convenience of being able to send written messages all over the world has led to a rapid growth in subscribers.

The benefits are particularly noticeable for international calls. Telex overcomes the problems of time zones, and can help to iron out difficulties with foreign languages as well. About 53 per cent of originating telex traffic in Britain is for overseas destinations.

For the user, the most obvious recent change in telex has been the availability of new terminals. British Telecom now offers two electronic telex terminals, the Puma, a hard-copy machine made by Trend Communications, and the Cheetah, one of the Perceptor family, made by Standard Telephones & Cables, which includes both hard copy and a visual display screen.

Both these terminals allow automatic calling, message editing, storage and other facilities, and as they are quiet they can be used in a normal office. BT can also provide a compact receive-only telex terminal called Sable.

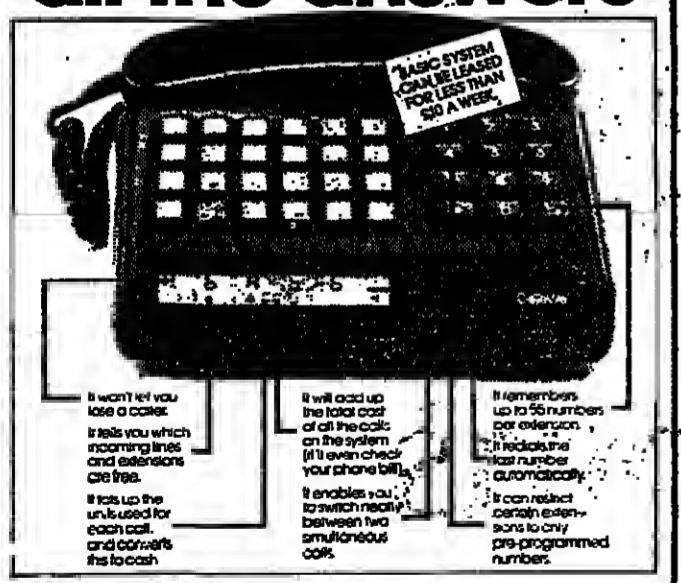
Telex is one of the markets where liberalization could have a major impact. Subscribers will be able to shop more widely for terminals, and several companies are offering different types of equipment.

This is not limited to terminals. One British company, Chermikoff Telecommunications, is supplying several users with an automatic telex message-switching system, which can control a variety of telex and telegraph lines, and be linked with 32 separate terminals. Another firm, ATS (Communications), has developed a visual display unit which



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is compatible with telex, and a link between office computers and the telex network.

Modernization of the network is also under way. At present, telex calls are switched by 51 electromechanical exchanges throughout the country, but these are to be replaced with 11 stored program control (SPC) exchanges.

A two-page letter of about 2,000 characters which would take five minutes to send by telex, could travel in only 15 seconds by Teletex.

Like modern main exchanges for voice traffic, the SPC telex systems will offer facilities such as short code selection, call redirection, delayed delivery, store and forward, and automatic alternative routing.

Despite the improvements being made to telex, it still has some inherent disadvantages.

Messages are in capitals only, and transmission is slow. Hence the concept of Teletex.

Unlike the limited keyboard of telex, Teletex will offer upper and lower case special symbols, and foreign characters. Built-in memory will allow incoming messages to be stored while outgoing messages are being prepared. And transmission will be far faster than telex. A two-page letter of about 2,000 characters, which would take five minutes to send by telex, could travel in only 15 seconds by Teletex.

Accordingly, Teletex will be cheap. BT has not yet spelled out likely charges, but in Germany it has been estimated that while it costs about 16p to send a letter for next-day delivery, and the same message by telex costs 78p, Teletex would cost only 7p - for almost instantaneous transmission.

International standards have been agreed for Teletex, and some countries have already started services - notably West

Reuters: growing like Topsy

The potential benefits of electronic publishing are easier to spell out than the immense range of possible activities which it may cover. An obvious example is illustrated in the dramatic change in the fortunes of the Reuters international news agency, which is preparing to go public at an expected value of £500m to £1,500m.

The transformation of Reuters from a traditional news agency, unique in its scope of coverage, but operating on tight financial margins, to a service company is due to a judicious application of electronics to publishing. More than 10 years ago the agency began building a computer-based information network, whereby news reports filed in any part of the world could be routed automatically to any designated combination of subscribers.

The next step was to use that network - not so much for general news, but for financial markets, to a wider range of customers.

But computer-based systems are not in themselves a magic key, through which riches are guaranteed. For instance, the first Fleet Street paper to replace hot-metal type setting, a manpower-intensive procedure, by electronic photocomposition was the Mirror Group, now up for sale.

The Press Association is about to embark on a similar course to Reuters but with a very different approach. From the beginning of next year the PA will be offering only a general output of news from the United Kingdom in a service called Newswire. Subscribers with any Prestel-type of view data terminal will be able to dial up the service.

Reports will be available on Newswire at the same time as they are transmitted over the agency's teletext network to newspapers and broadcasting stations. In addition, subscribers will be able to scan through the current file of the previous six days' stories with the option of calling up the first page, before deciding whether to request a hard copy printout of the entire story.

This service brings much closer the day when the customer can create an individually tailored newspaper by choosing items of interest from a list of political, financial, general and sports news, and pressing a button to have them printed out. Another development, judging that idea close to home by the recent introduction by Philips of a television set with a built-in printer.

Another example of the marriage of telecommunications, computers and electronics in the publishing field was demonstrated last week in the shape of a new system called the Muirhead Electronic Picture Desk.

In the newspaper world the name Muirhead is synonymous with the facsimile transmission of photographs by "wirephoto" from almost any corner of the globe. Its pioneering achievements included the first international transmission of news photographs direct to news-

paper offices via satellite. The event was a Royal tour of South America.

The latest Muirhead development has been perfected in conjunction with Deutsche Presse-Agentur (DPA) for the agency's operations in Frankfurt. Local pictures and pictures received from remote offices by telephone or radio links are converted into a digital format by an electronic scanner and stored on magnetic discs.

An operator can then view these pictures on a television monitor, edit them and retransmit them over the network without requiring to work on a photographic copy. According to Muirhead's development engineers, the final quality of a picture should be better than with previous systems because the computer enhances any obvious optical blemishes, and once the image is stored in digital form it is not subjected to successive stages of reproduction.

The application of computers and electronics to publishing allows firms to retain existing customers by providing a better service.

For instance, newspaper libraries are repositories of a monumental volume of information. Although those of serious newspapers are crucial sources for researchers in

Cable trials

They will come across unwieldy combinations of initials: CSMA/CA and CSMA/CD, for example. They may not be much wiser when it is explained that these stand for Carrier Sense Multiple Access with Collision Avoidance or Collision Detection.

But the most bewildering thing of all is the rash of proprietary networks which manufacturers of computers and other office equipment have introduced. Wang, Z-Net, DECTnet, ARCNET, Ecomet - these are just a handful of the LANs being promoted by various companies, and in some cases they have the drawback of giving their best performance only when used with that particular company's equipment.

It was to try to bring some order to the LAN market that Xerox Corporation in the United States introduced Ethernet, with the support of two other American companies - Intel, a leading chip manufacturer, and Digital Equipment, the major manufacturer of minicomputers.

The Xerox plan was to attempt to establish Ethernet as a de facto standard, and the

company has been very free with its licensing policy. There are now many companies producing components which meet the Ethernet standard, and several organizations have nailed their colours to the Ethernet mast, not only for office systems, but also for industrial and educational uses.

But while Ethernet was promoting its advantages, other moves were under way at more official levels to establish international standards. Local area networks form only part of these plans, which are being carried out by the International Standards Organization under the name Open Systems Interconnection (OSI).

OSI has the aim of allowing information to be exchanged between computer systems regardless of manufacturer or geographical location. It's a complex business. A reference model of seven layers has been created, with the idea that each layer will build on the one

below to make more advanced facilities available.

It will take years before standards are agreed for all seven layers, but LANs are well to the fore.

A British-owned company, Digital Microsystems, has more than 500 of its HINet local networks installed in this country, and there are more than 2,000 HINet sites operating throughout the world.

Racal-Milgo, which entered the market with a system called Planet last year, announced recently that it now has more than 2,000 communication connections installed for the system, and orders from more than 20 countries. Business valued at £2.5m has been received, and Racal is planning and commissioning several large systems, with up to 500 devices attached to each one.

For once one clears away all the technical jargon and wrangling over standards, the fact that stands out is that LANs represent a very big market indeed. Tim Holley of Racal-Milgo quotes a forecast by one market research company, IDC, that while there were 3,000 LAN connections in Western Europe at the end of last year, there will be 30,000 by 1984, and 250,000 by 1987.

TERMS TO WATCH

TELEEX: International low-speed keyboard-to-keyboard transmission service.

TELETEXT: System for conveying documents via data transmission for instance between word-processors.

TELETEX: System for broadcasting information over the air for display on special tv receivers. BBC's service is Ceefax, IBA's service is Oracle.

PRESTEL: BT's national videotex service giving text plus graphics information over public telephone network for display on tv receiver or vid.

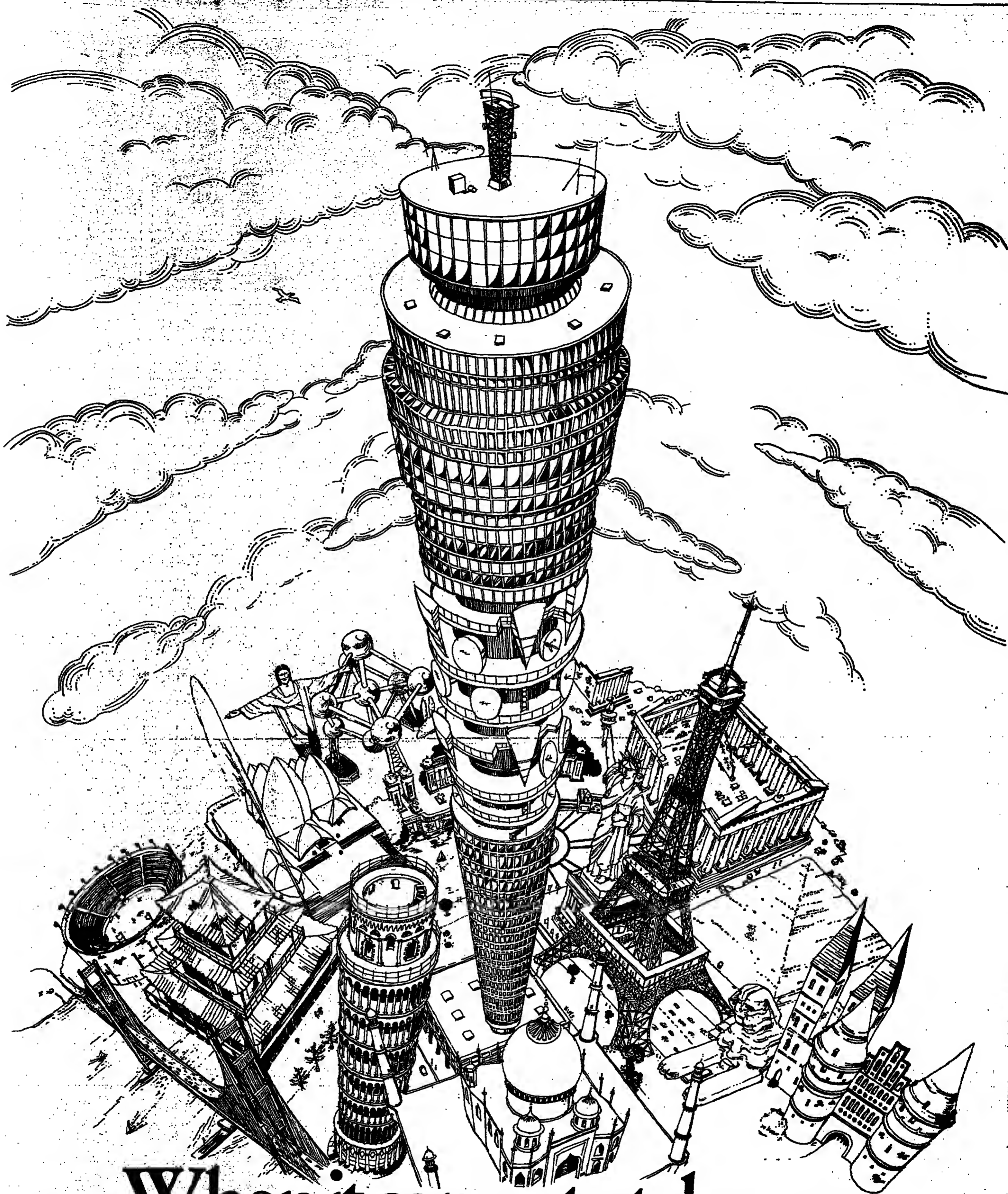
politics, the law, social history and economics they are organized in the main to suit the inquires of journalists.

Converting those warehouses of information into the sort of computer-based data bank from which subscribers could extract only those items of intelligence related to their particular need over a telecommunications link is now possible. The practicality of doing it depends on cost, and that in turn depends on how much of the material in the printed archives is to be converted into an electronically manageable form.

This is a deliberately narrow look at electronic publishing in order to prevent the subject from becoming too diffuse. But it would be a serious deficiency not to acknowledge the great impact that the Ceefax and Oracle-type services broadcast over the public television networks are having on the ideas of electronic publishing.

Pearce Wright
Science Editor

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When it comes to telecoms London towers above the rest.

London has been a major centre of telecommunications for a long time now. It's had the well-proven infrastructure of the British Telecom network, with its national and international links, direct and via satellite.

It's had the benefits of years of massive investment in hardware and systems by British and international manufacturers.

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Storm warning for space-age weather news

The simultaneous development of meteorological satellites and powerful computers has improved weather forecasts quite dramatically over the past 20 years. The increased accuracy of medium-range forecasts is particularly striking: today's Met Office predictions four days ahead are as good as those issued for the day after tomorrow when the first American weather satellites were launched in the early 1960s.

However the advance may temporarily be halted or even turn into a retreat over the next three or four years. The growth in computing power is likely to be offset by a deterioration in the quantity and quality of satellite observations.

Europe's present weather satellite, Meteosat 2, was put into geostationary orbit over Africa in 1981; it is expected to stop functioning within a year or so. That would leave an awkward gap until early 1986, when the European Space Agency is due to launch a stop-gap replacement.

This year 17 European nations agreed to spend £250m on a new generation of geostationary weather satellites, to be launched between 1978 and 1990. An international organization called Eumetsat is being created to operate them.

Although Meteosat provides the best continuous observations of the European sector of the globe, the American system of five weather satellites (three geostationary and two polar orbiting) is much more important for worldwide forecasting. Therefore meteorologists are particularly concerned about recent indications that the US Government is looking for big savings in its spending on weather satellites (currently put at \$230m a year).

One threat from Washington is that, unless other countries contribute to the operating costs, one of its two NOAA polar satellites may not be replaced. Good observations of Europe (or any other specific region of the world) would then be made every six rather than every three hours.

Polar satellites, which circle the globe at a height of 800 km, give better visible and infra-red images of clouds than the geostationary craft 36,000 km up. They also give "sounding" data - temperature measurements at different levels of the atmosphere. Their disadvantage

of course, is that they are not on station the whole time.

The Soviet Union is the only other country with polar orbiting weather satellites. It does not make observations from these craft (the Meteor series) available over the world meteorological network, but they are much less useful than the American data.

Surprisingly, the Russians do not yet have a geostationary weather satellite. However Japan has one (called GMS) on station over the Pacific. And the latest member of the club is India: its Insat communications satellite, which NASA recently put into orbit over the Indian Ocean, also carries equipment for meteorological observations.

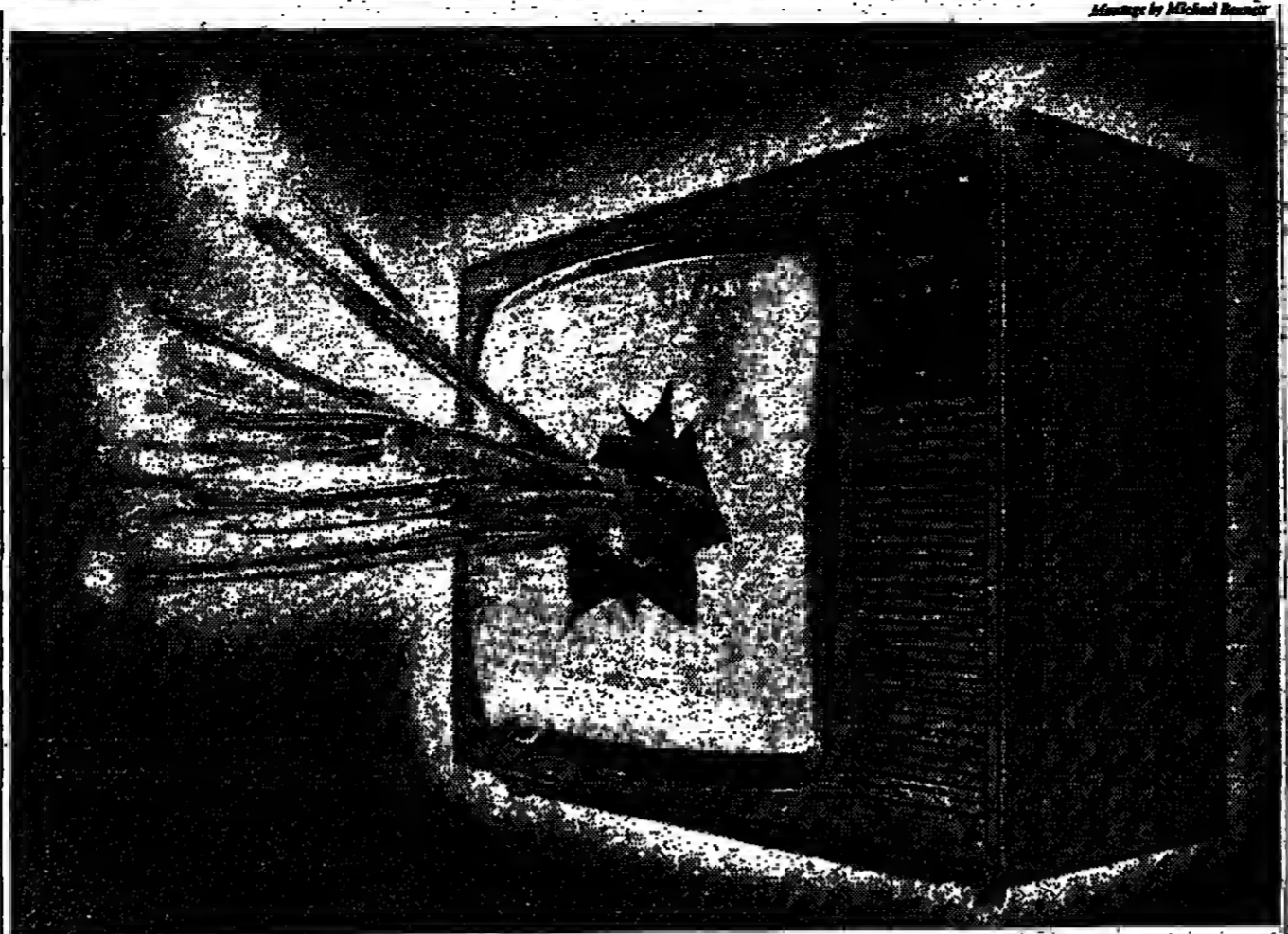
Britain's £14m National Remote Sensing Programme, announced this year, recognizes the point: this country will not build its own satellite (though it will contribute to the European Space Agency's ERS-1 ocean-monitoring craft, due for launch in 1987). Instead the Government's policy is to build a world lead in processing data from other countries' satellites.

For example, the National Remote Sensing Centre (at the Royal Aircraft Establishment, Farnborough) will build up an archive of images from Spot, the land resources satellite which France hopes to launch early in 1985. Spot will be the major commercial competitor to the American's Landsat non-military remote sensing satellite, and Spot-Image, a company largely owned by the French Government, has been set up to market the data worldwide.

Spot has poor infra-red facilities compared to Landsat, but its ground resolution - 10 metres, is better. That will make Spot more suitable for mapping. But the superior definition brings Spot to a sensitive borderline, for it should be good enough to begin picking out secret military installations.

By way of comparison, it should be pointed out that since the early 1970s, low-altitude American military satellites have been able to pick out objects 20 centimetres across. Under the circumstances, the Third World's growing mistrust for remote sensing is quite understandable.

Clive Cookson
Technology Correspondent



Will cable pay its way?

Within the next few weeks the Government will be ready to announce the winners of the battle between rival consortiums bidding for the rights to set up the first of a new generation of cable television stations throughout the country. Initially the Home Office and Department of Trade and Industry will decide on the award of 12 interim franchises to operate multi-channel cable television systems from next year.

The applicants include familiar names like Rediffusion, Thorn-EMI and Visionaire, which already operate existing cable networks and powerful candidates like British Telecom and Racal. However, many of the consortiums also include unlikely investors brought in to add "star quality" or local appeal. Thus Ringo Starr, the former Beatle, is involved in the Liverpool franchise while Raman Subba Row, the former England batsman, has joined Croydon Cable.

The early enthusiasm for the new ventures will soon turn to harsh financial reality for those which succeed. It is estimated that it will cost about £30m to put in a complete cable television system to serve 100,000 homes. The gamble is whether British householders are prepared to pay between £6 and £9 (plus vat) each month for a basic cable service which will offer music, sports and general entertainment channels.

Critics argue that half of the homes in Britain will have video cassette recorders within the next two years and may be reluctant to pay for cable television services. Yet American experience shows that cable operators can make money after five or six years and after that British franchises which can last 20 years could easily become licences to print money.

For its part the Government has done all it can to make sure that Britain has the chance to try out the cable television experiment as quickly as possible, and before European rivals begin to cash in on the new markets which will arise. It is estimated that it will cost between £3,000m and £4,000m to recable just half Britain's 20 million homes. The Government is excited about the employment opportunities that will follow. The construction industry alone could benefit from 2,000 new jobs to lay cable in the first instance. Additional

jobs will be created in the cable manufacturing companies such as BICC, STC, Plessey and GEC. After that come jobs in the telecommunications equipment industry, television set companies and among programme makers.

Given the incredible potential offered by the development of the cable television industry, it is remarkable that the subject was essentially a non-issue until the summer of 1981.

Much of the credit for the rapid progress made since then must go to the six-man team of unpaid and largely unknown technology advisers appointed by Mrs Thatcher as her Information Technology Advisory Panel in July 1981. The team which included Mr Michael Aldrich, managing director of Rediffusion Computers and Mr Ivor Cohen, managing director of Mullard, the television set makers, chose to undertake a study of the potential role of cable systems in Britain and the desirability of

a big programme of cable installation.

By January 1982 the ITAP report was ready and recommended that the go-ahead should be given for the widespread recabling of Britain as quickly as possible if the full industrial benefits were to be realized. In March a three-man team of inquiry was established under the chairmanship of Lord Hunt to report on the implications of cable for future broadcasting policy. The publication of the Hunt report paved the way for the decision to allocate the 12 interim cable franchises which are up for grabs now, with future franchises to be allocated by a newly established Cable Television Authority which will be created by legislation due to be introduced shortly.

The Government is keen to encourage the recabling of Britain with optical fibres, which use signals transmitted by pulses of light, rather than electric current to offer a

capacity 11,000 times greater than traditional copper cable of the kind used in most applications at present. But a decision to insist on the installation of optical fibres instead of cable would prove costly in the short term and delay the widespread introduction of cable television.

Consequently the Government will not require the use of optical fibre for some years, preferring instead to wait for commercial pressures to dictate the recabling of Britain. Effectively this means that the most attractive areas of the country will be recabled with optical fibres first in order to build a commercially viable base for further expansion. At the same time British Telecom and Mercury will lay optical fibres on trunk routes, through existing and new ducts, and eventually link the new systems to individual cable networks.

A further development is the expansion of the "services" provided by the existing cable systems to 2,500,000 homes. Operators like Visionaire and Rediffusion had virtually decided that with little prospect of expanding their cable services there was no future investing in the projects. But with the new flood of enthusiasm for cable television those subscribers are being offered new services in more than 100 areas.

Although these existing networks will only give cable to carry between four and six channels on the new system, which use coaxial cable or optical fibres, the operators do stand an early chance of re-establishing a presence in areas which previously had been neglected.

As the optical fibre manufacturers and cable television companies gear up for the new markets which are emerging from the advent of the cable television, some sectors of the industry are already anticipating using the know-how they gain in different areas.

In the meantime the cable manufacturers expect that the rewiring of Britain will have gained full momentum by 1987 as the entertainment-led demand for cable services provided by the new cable networks services translates into more widespread demand for each house to be linked to a whole range of information and business services, piped via the new cable networks. AC



● Installing the new generation of telephone lines requires skills closer to microsurgery than to traditional cable laying. In the picture above, British Telecom technician John Goble joining up two pieces of fibre optic cable beside the AS in Bedfordshire. Telecom is laying the latest "monomode" fibre between Luton and Milton Keynes. A pair of these glass strands, each thinner than a hair, carries up to 2,000 phone calls.

The ends of the two strands must be lined up to within one twenty-thousandth of a millimetre before they are fused together on Telecom's splicing machine. That accuracy is even greater than a microsurgical joining severed nerve fibres.

Opening the skies to satellites

Although for decades it had been the province of the science fiction writer, the satellite is now the most prominent force in domestic and international telecommunications.

Two important lessons have emerged from the United States where the techniques of satellite communication have been successfully harnessed to transport everything from high speed business data to live television programmes across the Atlantic simultaneously. The "optical" policy of the US Government has meant that satellite operators have experienced little interruption from government bureaucracy and instead have been encouraged to develop the most profitable satellite communications markets in the world.

So suddenly has been the development that even a nervous Europe, protected by their telecommunications "tariffs" which have shown signs of learning from the Americans and developing the technology. The second lesson emanating from the United States is that the satellite industry is an expanding area of telecommunications and is a major source of new jobs. The Space Shuttle is effectively a commercial operation carrying satellite payloads to be placed in orbit.

British manufacturers have not been reticent in responding to the two American lessons, though their progress is extremely modest in relation to that of the United States. However, British Telecom, British Aerospace and GEC-Marconi have formed their own company to exploit the technology on the overseas domestic market. The company, United Satellites, will be responsible for building and operating Britain's satellite for direct broadcasting.

About £85m is spent each year by the British on space projects and over three quarters of that expenditure is funded from the resources of the Department of Trade and Industry and those of the Science and Engineering Research Council - is allocated to projects under the auspices of the European Space Agency (ESA).

The first recent evidence that the telecommunications of Europe and those in the UK are about to be transformed, took place in the second week of this month when the European Communication Satellite ECRS-1 became operational. The satellite, launched from Kourou in French Guiana in June on the European space rocket Ariane, will transmit television pictures into Britain (and across Europe where agreements have been made) for reception by operators of cable television networks who in turn will distribute the programmes locally.

Another satellite, ECRS-2, is to be launched in the spring of next year and will be the primary satellite, carrying the telecommunications circuit for the ESA members. The ECRS-1 satellite is the backup satellite for the system and those television channels currently allocated have been done on a preemptive agreement. That is, they will be cut off if ECRS-2 fails so that the satellite can be used by the customers of the primary satellite.

Britain is one of the full members of ESA. The others being Belgium, Denmark, France, Federal Republic of Germany, Ireland, Italy, The Netherlands, Spain, Sweden and Switzerland. Austria, Canada and Norway participate in a number of programmes.

The channels of these ESA satellites are allocated by an organization called Intelsat, which represents all the European telecommunication authorities. It was Intelsat which allocated the channels on ECRS-1. One channel each was given to Belgium, France, Italy, The Netherlands and Switzerland with two allocated each to West Germany and the UK. A third ECRS satellite is expected to be launched in about 1985.

Britain is also one of the 109 nations, members of Intelsat (International Telecommunication Satellite Organization) which is responsible for coordinating the world's intercontinental and on some occasions domestic telecommunications using a network of 17 satellites placed in orbit above the Indian, Pacific and Atlantic Oceans. All communication satellites are placed in a "geostationary" orbit about 22,300 miles above the surface of the earth which gives the craft the appearance of standing still in space.

Intelsat, using the Ariane rocket this month launches a series of Intelsat satellites. These two-ton satellites, called Intelsat-V, are capable of carrying the equivalent of 12,000 telephone lines. Now more than 60 per cent of the world's international telecommunications traffic is carried by the satellites of the Intelsat network. Maritime communication is also carried by the network.

In 1981 an agreement was signed between Intelsat and the International Maritime Organization (Immarsat) for the lease of maritime communication channels.

Immarsat has made agreements for maritime satellites with the American company

Comsat for three satellites over the Atlantic, Pacific and Indian Oceans and the European Space Agency for craft over the Atlantic and Intelsat for satellites above the Pacific and the Indian Oceans.

But it is the ESA which is spearheading the European satellite drive, although there are independent national projects, principally in the area of direct broadcasting by satellite (DBS).

In the last ten years more than a dozen scientific satellites have been launched by the agency but it is the application satellites - telephony, data transfer and television - which are coming to the fore. In the last three years the satellite projects have included Meteosat-2 (meteorology), Marcs (maritime communications), Siro-2 (earth observation) and ECRS-1 (communications), also L-sat, the largest communication satellite to be built in Europe, is due for launch in 1986. The project which is expected to cost over £150m will have a £77m British contribution.

The French are due to launch two satellites called Telecom 1 next year. These are expected to carry telephony and television signals. The German Deutsche Bundespost has two satellite launches planned for 1986 and 87. The spacecraft will be used principally to carry television pictures.

The major British project is the Uisat, direct broadcasting satellite, due for launch in 1986 carrying two BBC channels. The project, expected to cost over £150m, is still a subject of heated political debate. The debate centres around the philosophy of DBS.

Agreements fixed for maritime satellites

Immarsat has made agreements for maritime satellites with the American company

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The dreams riding on Ariane

On Tuesday the seventh Ariane rocket of the European Space Agency was launched placing an Intelsat-5 communications satellite into orbit. The event marked the first time a European launcher had carried a US-built payload, and served notice that Europe is ready to challenge the Americans' near-monopoly of space delivery technology.

Just over four months ago the sixth Ariane rocket placed two satellites ECRS-1 (European Communications Satellite-1) and Amsat (Amateur satellite) into a geosynchronous orbit 36,000 kilometres above ground. The relief and jubilation of the multinational team of designers and engineers at the tropical launch site at Kourou, in French Guiana, was equal to that of the American space technologists when the United States reusable space shuttle, STS-1, made its first flight from Cape Canaveral.

True, the launches from Kourou attracted a brief attention from British press and broadcasting services that they would have probably devoted to an expectant panda at London Zoo. But the dreams and aspirations of hundreds of French, German, Dutch, Italian and Belgian scientists and engineers were riding on Ariane L-6 and L-7. For instance, more than 40 manufacturers from 11 countries provided the rocket engines, electronic and thousands of other components needed for each vehicle.

More important, the failure

of the fifth launch in September last year was a heart-breaking setback. That flight was intended to demonstrate through Ariane to the increasing number of countries wanting their own satellite for communications, navigation and weather forecasting that they had a wider choice than the United States and Russia from which to obtain a launch vehicle.

Any competitor to the United States and Russia faces the problem of selling against the vast wealth of technical knowledge accumulated over 20 years. Although the space era opened formally in 1957 with the launch of Sputnik 1, satellite communications turned from theory to practice in 1965 when an 85 pound fledgling known as Early Bird soared from Cape Canaveral to relay up to 240 telephone calls and a television channel across the Atlantic.

Early Bird was built with a life of 18 months. But four years after launch, when a satellite of the new generation of a relay station failed, Early Bird was reactivated to broadcast to more than 500 million people the investiture of the Prince of Wales.

One of the many sources of potential failure lies in the vibration of the rocket at lift-off and at the early stage of flight, when the engines are generating maximum thrust. Meticulous precautions are taken to protect satellites from vibration damage.

Rocket launchers are the

workhorses of the space programme, and the Ariane series is not the first collaborative European venture. However, the decision to press ahead with the current programme was taken in 1973 after various surveys forecast that by the early 1990s more than 180 satellites would be placed in geosynchronous orbit for communications and direct broadcasting, including 24 for Europe, and many others would be launched for other applications.

Orders for 24 satellites and options for another 15 are worth £36m.

Although there are 11 countries participating in the Ariane project, the largest contribution of 64 per cent comes from France, with Germany providing another 20 per cent. The total cost of development to completion of the first seven launches is over £500m.

After the test flights of Ariane, the European Space Agency has approved the principle of transferring to an organization called Arianespace responsibility for production and marketing of launchers. Arianespace was formed three years ago and its principal shareholders include 36 European aerospace firms, 11 European banks and the French national space agency, CNES,

where the designs for Ariane originated. Arianespace has a capital of more than £12m, subscribed by shareholders in the 11 countries.

The transition from the European Space Agency to Arianespace was planned for completion by 1984, after which launches would be conducted on a strictly commercial basis.

Arianespace has already taken firm orders for launching 24 satellites and options have been taken out on 15 more, making an order book worth more than £360m. The prospects for using space techniques are influenced by the economic considerations defined most simply as the cost of placing one kilogram of payload in orbit. At the time of Early Bird that cost was about £2,500.

Clearly, useful payloads weigh in many times more than that and the target is to cut costs by about one-hundredth of the early launches. Ariane can place a satellite of about 4,500 kilograms in geosynchronous orbit, or two payloads of equivalent weight.

Despite a perfectly acceptable start, its career by comparison with other launchers, such as those which form the workhorses of the American stable (Atlas Centaur had five failures in the first eight launches and Titan three failures in six launches), no indulgence was shown to Ariane when it failed. Unfortunately that was the penalty of being a relative newcomer.

Lord E. electe
BSI ch



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QUIETISTS IN THE CABINET

Undeniably the presentation of the Government's policy for public expenditure has been very maladroit since the election. The guidance after yesterday's Cabinet meeting was that some outstanding details had to be referred to the so-called Star Chamber of three ministers led by Lord Whitelaw, but that otherwise this year's public spending management has fallen into place. That may be no more than a piece of window dressing to conceal the fact that most of the Chancellor's colleagues feel that he and the Treasury have been exaggerating the problem all summer and need themselves to be cut down to size. The more the ploy. The Chancellor's position has clearly been aggravated, and therefore undermined, by internal Cabinet politics that will have unfortunate results for the future if ministers prefer the quiet life where public spending is concerned.

The roots of this loss of authority by the Chancellor can be traced to the Cabinet meeting of July 7. On that day, before the meeting, *The Times* published a forecast that Mr Lawson would be demanding cuts of £300 million from departmental budgets. This was necessary to cope with an overrun in the target for this year's spending. It had been caused by an unestimated increase in demand responsive items of expenditure like general practitioner services. Since that could not be controlled, corresponding cuts were going to have to be found in other parts of the budget already covered by cash limits.

The Chancellor's task was clearly made more difficult at that Cabinet meeting where he

was quite unjustly blamed by his colleagues for attempting to bounce them into a decision by the use of a premature leak. It was evidently a bruising experience for Mr Lawson. It has left him politically on the defensive, and certainly contributed to the handiness of yesterday's Cabinet meeting which augurs ill for the prospects that this Government will get hold of the issue of public expenditure early enough in this Parliament to give it some economic and political room to manoeuvre.

If inflation is to be controlled and, preferably, reduced there has to be a constant effort to cut down the size of the public deficit. The deficit leads to inflation and high interest rates. Given the colossal momentum of an overall budget of more than £120 billion it is not surprising that ministers wrestle fretfully during the annual exercise to reduce Government spending. Their choice each year is to reduce spending or to raise taxes - unless they are prepared to take the inflationary course and expand the scale of borrowing. As we have seen, a lower rate of inflation has helped the economy to expand. It must be natural therefore for ministers to favour a course of action which reduces taxes and thus contributes to further growth rather than one which controls the deficit by the imposition of more taxation.

The Government is thus faced with a choice of alternative policies, both of which are entirely respectable, but have different political connotations. The quiet life approach, as we have seen this autumn, does not lead to anything like a quiet life

for ministers. Any ministerial attempt to rein back on planned, or more often unplanned, or more often unthought-out, increases in future spending, is greeted with cries of shame and generally held up as evidence of a cruel Government cutting into existing services. Ministers have thus been on the defensive, and unless they are careful, there they will stay. There is no chance of their being able to capture the initiative in this argument about public spending, let alone winning it, unless they can provide the full facts of the case which make these decisions so difficult now, and increasingly difficult in the future. To that they must add some creative ideas about how these difficulties could be ameliorated. That is still sadly lacking.

The Chancellor is said to be keen to open up this debate so that the whole country can contemplate the future, and measure the implications of a quiet life on public spending, punctuated each year by the agonising ministerial exercise of cutting it into shape, against the possibility of more radical thinking about the mix of public and private provision for all kinds of welfare, perhaps even including the question of the retirement age and the long term mill-stone of publicly financed earnings-related pensions. If the Chancellor receives the Prime Minister's support in this argument, he may prevail against those of his departmental colleagues who, in the Prime Minister's favourite expression, have been "nobbled" by their departments. It is not only Mr Lawson, however, who has yet to discover whether or not the Prime Minister has been nobbled too.

THOSE WHO LIVE BY THE SWORD . . .

The unfortunate inhabitants of Grenada have been thrown out of the frying pan into the fire. The regime of the late Mr Maurice Bishop had long ago broken faith with its more liberal supporters, who helped it into power. It closed their newspaper, *Torchlight*, and imprisoned many opponents without trial. It put off elections and sought aid from Moscow, East Germany, Cuba and Libya, though also from the European Community. At the United Nations it supported the Soviet invasion of Afghanistan. At home it moved towards the Soviet model of a "people's democracy", though without destroying private industry. The economy, poorly managed, wilted under pressures which have buffeted the whole region.

For those who arrested and then killed Mr Bishop, however, the trouble was not too much Marxism but too little. Mr Bishop was accused of being soft on private property and trying to mend fences with Washington, possibly to the extent of wishing to join the Caribbean Basin Initiative. This would have worried the Soviet Union, which probably regards Grenada as a useful strategic foothold at the other end of the Caribbean

from Cuba, conveniently near Venezuela and the rest of the South American mainland.

Hence the coup raises two main questions, one about the past and the other about the future. The first is whether Mr Bishop was genuinely trying to move away from Moscow and was unwisely rebuffed by the Reagan Administration. He sent at least two letters to Mr Reagan which elicited only one brief reply. He spent a week in Washington in June and was at first cold-shouldered but then seen by two senior officials.

Had he been warmly embraced and helped as an at least partially disillusioned Marxist, would his policies at home have changed, and would he have been sufficiently strengthened to have fought off his hard-line opponents? Or would these opponents merely have struck sooner? Did they strike this week precisely because he was beginning to make some headway with Washington? We need to know.

The future is equally unclear at this stage. Mr Bishop clearly retained considerable popular support, in spite of his shortcomings. The new rulers will have less support, so their power

base will be narrower and their rule harsher. If they take the country deeper into Marxism they will also worsen its economic problems - unless Moscow steps in with non-military aid - a Soviet rarity indeed - sufficient to make up for the inevitable shortcomings of Marxist economics. So the fate of the new regime depends to a considerable extent on decisions taken in Moscow.

Until now Moscow has been reluctant to commit itself as deeply to other Caribbean and Central American states as it is committed to Cuba, which has been a very expensive asset. It rebuffed the Manley regime in Jamaica, and has been cautious about committing itself wholeheartedly to the survival of the Sandinista regime in Nicaragua. But Grenada would be much cheaper to support than Cuba, and in the present climate of East-West relations Moscow may feel it has little to gain from not treating too heavily on Washington's toes. The possibility that Grenada could become a fully-fledged satellite of Moscow is therefore not to be automatically dismissed. Cuba would welcome it, but there will also be strong regional pressure to hold it back.

TASKS AT TRANSPORT

It would be unfortunate if the rapid passage of Mr King through the swing doors of the Department of Transport led the public mind to any downgrading of the ministerial tasks awaiting Mr Ridley once he has mastered his briefs. The department has been indifferently led under recent governments of both parties and while Mr Ridley may be no Ernest Marples be has the opportunity to break that tradition.

Here is a considerable personal challenge. Mr Ridley must not only survive the butterflies of Otmoor (a pastoral site on the proposed route of the M40) but backbench sniping from his predecessor but one (Mr Howell) who has espoused the cause of a rail link beneath the English Channel. The job will require Mr Ridley to abandon the private politics of the Treasury for the public reckoning with vocal interest groups and delegations which will inevitably include Conservative commuters and Gloucestershire rail-users.

The job at the Ministry of Transport is not one for an atomistic privatizer, impressed neither by the managerial progress recently made in the public bus and rail industries nor by our continuing national fascination with the iron roads. There is nothing shameful in the romance of rail or in a mounting disappointment that it is the French or Japanese and not the British who are innovating successfully in train design and track layout. At the top of Mr Ridley's agenda are the joint

questions of subsidy for the revenue costs of road and rail services and borrowing allowances for capital investment. Peripheral enthusiasm for selling off Sealink or (at long last) letting entrepreneurs into station catering will not help the minister when, as he must, he persuades his colleagues that British Rail and rural bus networks deserve realistic levels of support in their public service responsibilities.

Of course a tension will remain between public service and the necessity of using commercial criteria to secure efficiency in operations. But Mr Ridley has some winners to back. In Mr Reid, the new chairman of British Rail, he has an astute caretaker who, if he can avoid the industrial relations chaos of two years ago, deserves warm support in carrying out the corporate plan bequeathed by Sir Peter Parker. And if the Serpell report is assigned to a bottom drawer, so be it, as long as pressure is kept up on productivity, the ending of restrictive practices and managerial devolution shown at its best in the running of the Inter-City division.

Private money should be introduced not spitefully but experimentally on such schemes as the Victoria-Gatwick link. Concreting over redundant lines may be the end of Victorian civilization, but there is little harm in that: it is noteworthy that turning the lines to Marylebone into special coach roads (privately run?) has now found favour with the planner Professor Peter Hall, who is no

demon of the New Right. Similar principles should apply to the National Bus Company: a careful balancing act is needed to open commercial opportunity but stops short of dismemberment and the sinking of managerial morale.

On roads Mr Ridley faces a sequence of "second-order" decisions that will test his resolve. The stop-go planning of the A1-Archway Road - in north London is a scandal. As with the extension of the M40 from Oxford to Birmingham there comes a point when the "due process" of our cumbersome town and country planning system must end, and a minister must give the starting signal. Landed commuters from Kent and East Sussex will not bless Mr Ridley for the decision he must surely take soon to abandon the anomalous Tonbridge to Hastings rail line.

But Mr Ridley's big test is London - the untidy legacy of Mr Howell's dithering over the subsidy level for London Transport. There can be little doubt that continuing high levels of public subsidy are necessary to sustain an Edwardian tube network and a coagulated bus service. Mr Ridley's dislike of large-scale collective provision will not obviate the need for him to buckle down to practical questions of apportioning the cost of the public subsidy for London Transport; Mr Jenkin's precipitate moves to abolish the Greater London Council give him little time.

US attitudes to its 'soft underbelly'

From Sir John Whitmore
Sir, Does Jean Kirkpatrick seriously believe that the security interests of the United States are threatened by events in El Salvador or Nicaragua, something to which she accuses West Europeans of being extraordinarily blind and indifferent (Spectrum, October 12)? If she does, it can only mean that the United States is far weaker than we blind Europeans have noticed.

I can perhaps reassure her, for I hear that a Nicaraguan spokesman has promised not to invade the United States if the United States will promise not to invade Nicaragua. I have never quite understood how the United States claims the right to intervene in its "soft underbelly", central and southern America, without granting the same right to the Soviet Union with its rather longer and softer "underbelly" - but then I am not an American.

Jean Kirkpatrick finds most disturbing her assertion that West European nations ignore human rights violations in the Soviet Union and her satellites but "focus their protests on the real but but qualitatively and quantitatively lesser violations committed by traditional non-communist anti-communist atrocities in Latin America."

Europe certainly does not ignore Soviet violations, and has repeatedly protested about them, but what does she mean by "qualitatively and quantitatively lesser violations" - unless murder by government death squads does not count, on the basis that if one is dead one is not human and/or one has no rights? Death squad murders in El Salvador alone by the most conservative estimates amount to more than 30,000 in the last four years.

I will confine myself to one further comment on her extraordinary and truly alarming opinions. She speaks of "semantic confusion fostered by the communists themselves through their systematically perverse use of language", and goes on to quote some examples with her interpretation of the correct meaning. My counter, and I am not a communist, requires no interpretation to demonstrate its perversity. President Reagan has named the homeless ICBM, the MX missile, "the peacemaker".

Rhetoric, deliberate distortion and propaganda are behaviours that we Westerners have traditionally expected from the Soviet Union. Now they emanate more frequently from the United States, sometimes to echo in Whitehall. Inflammatory pronouncements, such as President Reagan's now famous "evil empire" speech and Jean Kirkpatrick's interview in *Spectrum*, contribute nothing to peace nor to European faith in American leadership. Mrs Thatcher, please note.

Yours faithfully,
JOHN WHITMORE,
Deputy Director,
Centre for International Peacebuilding,
Southbank House,
Black Prince Road,
Lambeth, SE1.
October 17.

The complaint is made that there is no power to suspend a sentence, but it is quite plain that the intention behind the Act and the clear meaning of the Act itself are to

Play's bad language

From Lord Willis
Sir, In his review of the play, *Just a Kick in the Grass* (October 12), your critic made the comment that the Churchill Theatre, Bromley, had refused to stage the play because of its bad language.

This is not true. The play had been rehearsed and although there were some reservations about the coarse language the governing board of the theatre decided to let the production go ahead. However, two or three days before the scheduled opening night we received legal advice which indicated that there was a danger that the play was libellous and that we would be taking a risk and possibly incur heavy damages if we allowed it to be staged.

An emergency meeting was called and the play was withdrawn solely on the basis of this legal advice. Your reviewer implied an act of censorship which did not take place.

Yours faithfully,
WILLIS,
5 Shepherds Green,
Chislehurst, Kent.
October 12.

Victorian values

From Mr J. G. Otway
Sir, Mr Hartwell's argument for the preservation of the worst brick industrial chimney (October 14) holds true for the inverse structure, namely the well.

Destruction is not so dramatic but the building skill was no less.

Yours truly,
J. G. OTWAY,
Dill Cottage,
High Hurstwood,
Nr Uckfield,
Sussex.
October 16.

Forestry policy

From Mr Guy Somerset and Mr Colin Franks
Sir, The letter from Sir Andrew Gilchrist (October 4) highlights the confusion of the current policy for the uplands. Commons on Exmoor and the Quantock Hills are threatened by contradictory and wasteful policies pursued by a number of Government departments, statutory agencies and local authorities.

The Secretary of State for the Environment provides funds for conservation and may refuse consent to fencing on common land, yet the Minister of Agriculture subsidises intensive agricultural development.

The Countryside Commission is offering grants for fencing the Quantocks as an area of outstanding natural beauty, but the Nature

LETTERS TO THE EDITOR

Alternatives to custodial sentencing

From Professor Nigel Walker
Sir, I agree with the criminal lawyers whose letter you published on October 14. It is both illogical and a pity that there should be no way of suspending a youth custody sentence - or a detention centre order, for that matter.

The suspended prison sentence saves a substantial number of offenders from burdening our prison system at any time in their career, without contributing much to the crime rate. To deprive courts of the power to suspend the only custodial sentences which can be imposed on those under 21 is difficult to justify.

Lady James and I argued this in a note of dissent from the Younger Report of 1975. But the majority, who were very optimistic about the therapeutic value of youth custody, rejected our arguments. The first Government White Paper accepted our view, but the eventual Bill did not.

An amendment of the Criminal Justice Act 1982 to put this ill-logical right would be very suitable for a Private Member's Bill.

I am, Sir, etc.
NIGEL WALKER,
King's College,
Cambridge.
October 15.

From Mr P. J. Richardson
Sir, Ms Belford and her colleagues (October 14) have missed the point of the provisions in the Criminal Justice Act 1982. If the number of persons under 21 years in custody has increased since the legislation came into force then it may be that the judiciary has been missing the point also.

Ms Belford correctly points out that a custodial sentence may only be passed if the court "is of the opinion that no other method of dealing with the offender is appropriate." It is thoroughly misleading, however, to assert that if the court feels the existing forms of non-custodial sentence are inappropriate then it has no alternative but to pass a custodial sentence.

The Act, in fact, says the court may only conclude that no other method of dealing with the offender is appropriate for one of three stated grounds, namely (i) that it appears the offender is unable or unwilling to respond to non-custodial penalties, (ii) a custodial sentence is necessary for the protection of the public, or (iii) the offence is so serious that a non-custodial sentence cannot be justified.

From Mr P. J. Richardson
Sir, There is one aspect of the Home Secretary's speech to his party conference which causes particular concern. In announcing that violent offenders and those who have engaged in the importation and marketing of hard drugs should no longer be eligible for parole Mr Brittan has infringed a basic principle of British justice. That is, that changes in the law and in sentencing policy should not be retrospective.

Whatever view one may take of the parole system, there can be little doubt that it is one factor which the judiciary take into account when passing sentences. Those offenders presently imprisoned for the very serious crimes encompassed by the Home Secretary's statement are serving sentences which were imposed in the knowledge that they would be eligible for release on parole after serving one-third of that sentence.

While it may be argued that parole is a privilege and not a right, the assessment of an offender's suitability for release on parole is enshrined in statute. Furthermore, if the Home Secretary pursues his proposals he will *de facto* be extending the length of many sentences imposed by the courts.

Criticism of the Home Secretary's speech has been voiced by both prison governors and prison officers. However, the impact on the inmate in the long-term prisons would be reduced if the new measures were not retrospective in their coverage.

Yours sincerely,
STEPHEN SHAW, Director,
Prison Reform Trust,
Newfield Lodge,
Regent Park, NW1.
October 17.

From Lord Bancroft
Sir, In his "Whitehall brief" today (October 18) Mr Hennessy accuses me amongst others of taking Sir John Hoskyn's recent lecture seriously. Mr Hennessy confuses higher seriousness with courteous decision. I must therefore make myself plainer.

In the past more than one Minister has been described, with

fairness all round, as the Mary Baker Eddy of economic theory. In the present Sir John Hoskyn's blend of relatively innocent content and compulsively readable style qualifies him, equally fairly, as the Dornford Yates of political theory.

This for my part ends the debate, such as it has been.

Yours faithfully,
BANCROFT,
House of Lords.
October 18.

From Mr E. P. Thompson
Sir, In your leading article (October 17) you say that divisions over peace are now emerging among Western peace groups. If, despite the advocacy of millions, cruise and Pershing 2 missiles should be deployed, should the subsequent tactics of the peace movement "be violence or non-violence?"

And you argue that "the logic of demonstrations points to violence" in the pursuit of "extra publicity".

Since my own name is cited in close juxtaposition to this argument, may I say that in my extensive knowledge of the British peace movement (CND, END and the numerous affiliates of the National Peace Council) I have not heard a single responsible voice raised in support of methods of violence?

Our methods continue to be as they were - persuasion, rational advocacy, and every form of non-violent testimony.

It may be that very small groups which advocate confrontations and

push-ups are to be found on the fringe of the West German and Italian movements. If so, these derive from different traditions and are simply trying to make use of the peace movement for their own purposes.

It may also be that they are themselves being made use of for unsavoury purposes by provocateurs, since it could be in the interests of short-sighted security officials to engineer dramatic episodes of violence.

But our friends in the West German peace movement are taking every possible step to "self-police" their own non-violent demonstrations; while in two recent peaceful blockades of the cruise missile base at Comiso, in Sicily, our Italian friends were the victims of indiscriminate police violence, and they were in no way the aggressors.

Yours faithfully,
E. P. THOMPSON,
Wick Episcope,
Upper Wick,
Worcester.
October 17.

From Mr Tom Jaime
Sir, Your correspondent M. A. Tatum asked (October 15) whether a viable market for British cheeses existed in France.

Five years ago we spent an entertaining fortnight selling Christmas puddings, fruit cakes, marmalade and lemon curd, of our own making, at the Caen Fair in Normandy. We also took with us a few hundred weight of cheddar cheese from the Priory Farm at Chewton Mendip.

Reception of this cheese was enthusiastic, whole trucks being

essential that the Secretary of State for the Environment should refuse to allow any new fencing, that the Minister of Agriculture should stop offering subsidies for more intensive farming of the moors and that the county councils, district councils and countryside commission should not pay for more fencing and cattle grids on the commons.

All that would save significant sums of public money, something which should appeal to the Government. In the longer term, management schemes should be worked out to provide for conservation, recreation and the optimum level of farming the commons.

Yours faithfully,
GUY SOMERSET,
(Chairman, Exmoor Society),
COLIN FRANKS, (Chairman, Quantocks Society),
Hoar Oak House,
Alcombe, Minehead, Somerset.
October 4.

From the Dean of St George's Hospital Medical School
Sir, Lord Elgin has been getting rather a bad press lately, at least from prominent Greek sources. It therefore seems worth pointing out that during his tour of Greece in 1801 during which Elgin removed the Parthenon marbles he also introduced vaccination to Greece, and energetically promoted its use. This undoubtedly saved many Greek lives.

I am not presuming to enter the debate on the rightful home for the Marbles, but shouldn't there be a statue of Lord Elgin on the Acropolis?

Yours faithfully,
RICHARD WEST, Dean,
St George's Hospital Medical School,
Cranmer Terrace,
Tooting, SW17.

From Captain H. R. Leach
Sir, From where does the British Army now get its footwear? Today's boot we learn (*The Times*, October 12) barely lasts a landing near the Dardanelles.

Twenty-one years ago a kindly quartermaster gave me a pair of "sboes, officer, walking out". Since then they have marched me around Caterick and Crater; carried me across the Himalayas and Hindu Kush; tramped me along the Pennines and Ridgeway, and pedalled me around Somerset and Shropshire. Now they walk me some eight miles daily through the streets of London.

We both look set for another decade.

I am, Sir, yours better shod,
HUGH LEACH,
21 Choumert Square,
Peckham Rye, SE13.

From Mr Richard Cobb
Sir, Having recently had a book published about my childhood in Tunbridge Wells, I have received a score of letters from inhabitants of the Royal Borough.

All of these, though posted to Tunbridge Wells, bear the postmark "Tonbridge". Has the Post Office suppressed the Royal Borough?

Yours faithfully,
RICHARD COBB,
165 Goldsleeve Road,
Wolvercot,
Oxford.

Some more 'equal' than others?

From Mr J. R. Lucas
Sir, The Bishop of Southwark pleads eloquently (October 14) for a recognition of men's human worth, but spoils his case by introducing the deeply confusing concept of equality.

True, we are all infinitely precious in the eyes of God, and it could be said that we were, therefore, equally, because infinitely, precious. But when we are dealing with finite matters - finite human beings dividing finite resources - the language of equality has procrustean implications.

It implies, although this is not at all what the Bishop wants to imply, that in a family the one child that is musically gifted must not have extra music lessons unless all the others do too, and that the academically gifted should not be allowed to go to universities which are not available to the rest.

As a part of the Christian religion to cut people down to egalitarian size, but the concept of equality does require just that. Although in some circumstances, under some conditions, a case for equality in some specified respects can be made out, it is only a limited and precise equality that is then in issue, not the pervasive and overarching concern for human worth that the Bishop is concerned to commend.

What the Bishop is concerned about is of great importance; but his advocacy of human worth and the claim of human needs on us all would be more effective if it did not seem to carry with it egalitarian consequences that are unchristian as well as unjust.

Yours etc.
J. R. LUCAS,
Merion College,
Oxford.
October 14.

Public spending

From Sir Ian Gilmour, MP for Chesham & Amersham (Conservative)

Sir, Sir Douglas Hague (feature, October 18) claims as a matter "of logic not of judgment" that "if productivity (efficiency) in the public sector rises more slowly than the private then - given the same rates of pay in each - either tax rates must rise continually or the volume of public sector activity must be progressively reduced".

This proposition, if it were true, would be extremely important, but it is itself logically flawed.

If the Government employs a constant proportion of the workforce and all rates of pay rise together, then the proportion of Government expenditure in the moony national income will be constant, given uncontroversial assumptions about profit margins and so on. This will be the case whatever the relative rates of growth and productivity in the public and private sector.

Under these conditions the volume of public sector activity will rise at the same rate as the workforce while the share of tax revenue in national income, the tax burden and average tax rates will all be constant, not rising.

I am, Sir, your obedient servant
IAN GILMOUR,
House of Commons,
October 18.

New light on Elgin

From the Dean of St George's Hospital Medical School
Sir, Lord Elgin has been getting rather a bad press lately, at least from prominent Greek sources. It therefore seems worth pointing out that during his tour of Greece in 1801 during which Elgin removed the Parthenon marbles he also introduced vaccination to Greece, and energetically promoted its use. This undoubtedly saved many Greek lives.

I am not presuming to enter the debate on the rightful home for the Marbles, but shouldn't there be a statue of Lord Elgin on the Acropolis?

Yours faithfully,
RICHARD WEST, Dean,
St George's Hospital Medical School,
Cranmer Terrace,
Tooting, SW17.

Well shod

From Mr Richard Cobb
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All of these, though posted to Tunbridge Wells, bear the postmark "Tonbridge". Has the Post Office suppressed the Royal Borough?

Yours faithfully,
RICHARD COBB,
165 Goldsleeve Road,
Wolvercot,
Oxford.

Investment and Finance

City Editor Anthony Hilton

THE TIMES

City Office 200 Gray's Inn Road London WC1X 8EZ Telephone 01-537 1234

STOCK EXCHANGES

FT Index 691.0 up 12.6 FT 100 Index 432.03 up 5.45... London Close Sterling \$1.4985 down 20pts...

CURRENCIES

LONDON CLOSE Sterling \$1.4985 down 20pts... NEW YORK LATEST Sterling \$1.4975...

INTEREST RATES

Domestic rates: Bank base rates 9... Euro-currency rates: 3 month dollar 9 1/8...

GOLD

London fixed (per ounce): am \$390pm \$385.75... New York latest: \$392.75...

TODAY

Interims: Blumel Bros, William Cook & Sons (Sheffield), Midsummer Inns, Stanley Miller Holdings, Uniflex Holdings...

ANNUAL MEETINGS

Breville Europe, Angel Hotel, Guildford, Surrey (11.00). Deborah Services, 27/28 Lovat Lane, EC3 (11.30). Land Investors, Churchill Hotel, Portman Square, W1 (noon). Notton, Berystade Hotel, Ascot, Berkshire (11.30). Bristol Channel Ship Repairs, Channal Dry Dock, Cardiff (11.30). Watsham's, High Road, Willesden, NW10 (noon).

The Japanese Government is expected to adopt a comprehensive economic package today, intended to improve the nation's strained trade relations and boost its economy at home. Meanwhile, the Bank of Japan is ready in case credit for the first time in nearly two years. Lowering the official discount rate, on which most other interest rates are pegged, will allow long-term loan rates to come down, and should offer a "psychological" boost for businessmen.

The US Gross national product (GNP) grew at a healthy 7.9 per cent annual rate in the third quarter. The Commerce Department said in its preliminary estimate for the July-September quarter that the growth came from the building of inventories by businesses and from final sales, which were buoyed by consumers and government and net exports. The latest GNP gains follow an annual 2.6 per cent growth rate in the first three months of the year and a healthy 9.7 per cent growth in the April-June quarter.

The US said it had concluded agreements limiting imports of specialty steel from five more countries. Mr Bill Brock, Trade Representative, who has already announced accords with Sweden and Austria, said he had completed agreements with Japan, Canada, Poland, Argentina and Spain. Altogether, the agreements cover about 66 per cent of specialty steel imports.

Bank Governor offers no protection from foreign competition Market forces will determine future of the Stock Exchange

Competitive pressures will play a big part in determining how the Stock Exchange evolves, Mr Robin Leigh-Pemberton, Governor of the Bank of England, said yesterday. He also indicated that the Bank of England had no preference as to how the trading system of the Stock Exchange develops in the years to come, although it was concerned to see an efficient market with safeguards for investors.

It is also the first time the Bank of England has spoken out publicly to clarify its views in the changes afoot in the stock market, on which it is certain to have a considerable influence because of its monitoring role. Mr Leigh-Pemberton gave no sign that the Bank of England was aiming to protect British firms from foreign competition. "It has to be recognized that competitive pressures will do much to determine what sort of trading structure is needed for a flourishing Stock Exchange."

He also provides an effective central bank in government debt and the jobbing system ensures that there is a continuous market when trading conditions are difficult as well as when they are easier. "A further necessary test for any alternative arrangements is thus whether they could assure a comparable market-making capability, avoiding fragmentation and a reduction in efficiency."

SE removes overseas rates

The Stock Exchange Council yesterday took the first step in dismantling minimum commissions by introducing negotiated rates on overseas securities. New rules for dealing in overseas securities will also be introduced. No decisions have yet been taken on the method of dismantling commissions on other securities, the council added.

The new rules say that international dealers, which can be formed by jobbers and brokers alike, must be incorporated as limited liability companies under the control of member firms. A majority of the directors must be members of the Stock Exchange and the companies can only deal in overseas securities and as principals. The new subsidiaries will not be covered by the Exchange's compensation fund which guarantees the debts of member firms. The council is still working out the details and will be holding talks with member firms, then when completed will publish a full list. The council wants the new rules to be effective from March 31.

Plea for risk-takers

An outspoken plea for more help and encouragement for investors was made last night by Sir Nicholas Goodison, Stock Exchange chairman, at the Mansion House. He said: "We have gone too far along the road of punishing savers who put their money directly at risk in industry and commerce. We now need to do something positive to implant risk-taking attitudes and to nurture a popular interest in industry."

Some of the "punishments" now inflicted on investors could be removed without great difficulty. The investment surcharge was an unfair way of taxing income twice, the complications of capital gains tax were now beyond ordinary human understanding. Sir Nicholas maintained that some of the "punishments" now inflicted on investors could be removed without great difficulty. The investment surcharge was an unfair way of taxing income twice, the complications of capital gains tax were now beyond ordinary human understanding.

New rules to cover takeover advice

The way in which the Office of Fair Trading gives confidential guidance to companies on whether takeover bids can hope to escape a Monopolies and Mergers Commission reference is to be confined within strict guidelines. The absence of any clearly defined system for seeking guidance has prompted allegations of abuse of the facility and confusion over Government intentions in several instances. Procedures for seeking and receiving guidance are being drawn up as part of an internal review of competition policy by the Department of Trade and Industry.

Mr Alex Fletcher, Under Secretary of State at the Department of Trade and Industry, said in a speech on competition policy yesterday that there are big advantages in the flexibility of the current system for scrutinizing mergers. The new guidelines on confidential advice are being laid down to prevent abuse of a system that industrialists recognize, as a helpful way of determining the Government's attitude to a takeover bid before it is launched. In his speech, Mr Fletcher conceded that predictability was not achievable under the British system for looking at mergers. "The essence of the system is flexibility and comparisons with the contrasting German and American systems show that there is a trade off between flexibility and predictability," he said.

Boardroom row at Guinness Peat

A long-standing non-executive director of Guinness Peat has resigned after a boardroom disagreement over the terms of Guinness Peat's latest deal. Last week the banking and financial services group, which has started a long struggle back to health, announced plans to buy Moorside Trust, an investment trust for £21m. Guinness Peat plans to pay in shares for Moorside then sell off the investments to strengthen its balance sheet. However Mr Giorgio Rossi, a non-executive director, disagreed with the terms of the merger, though he favoured the deal, Guinness Peat said in a statement yesterday. Mr Rossi is a director of Compagnie de l'Occident pour la Finance et l'Industrie SA (Cof), which controls 8.23 per cent of Guinness Peat, and there is speculation that he will vote against the merger when it comes up for shareholders' approval. Mr Alastair Morton, chief executive of Guinness Peat, said yesterday that Mr Rossi's departure would make no difference to the Moorside deal.

Cars and drink boom boosts spending

Record car buying and a big jump in beer sales during the summer heatwave helped push up consumer spending by 0.5 per cent in the third quarter, an increase of 3.5 per cent compared with the same period last year according to provisional estimates from the Government. The continued buoyancy of consumer spending - which accounts for half total final demand in the economy - has been the chief factor behind increasingly optimistic Treasury assessments of output growth this year. The Budget forecast predicted 2 per cent growth this year, with a rise in consumer spending of 2.5 per cent. But Mr Nigel Lawson, the Chancellor, told the Conservative Party conference last week that he expected the rise in national output to be closer to 3 per cent, similar to the average increase in consumer spending so far this year. The consumer boom has been financed from people's savings and through higher borrowing, including mortgages, where half of the money lent seeps into other spending.

City Editor's Comment

Lording over the monopolies law

Lord Cockfield is dead. Long live Lord Cockfield. It would be a trusting industrialist indeed who reached any other conclusion than this after reading the latest ministerial pronouncement on completion policy yesterday. Mr Alex Fletcher, the minister responsible for takeover policy at Trade and Industry, is clearly at pains to assure the world that the Quixotic and inconsistent rulings of the former ennobled Secretary of State for Trade are a thing of the past. From now on, he says, takeovers will be referred to the Monopolies Commission only after the most careful scrutiny, with the presumption clearly against such a move. The Government will make it its business to give as much guidance to the market as possible on the reasons behind its decisions. The system by which companies can get a confidential ruling on whether or not a takeover is likely to be ruled out of court will be reviewed and, by implication, improved.

It may well be that these words of reassurance prove to mark a significant shift of emphasis in merger policy. By any definition, Mr Tebbit, the new overlord at Trade and Industry, is no Lord Cockfield. His first instinct is always likely to be that the market should be left to its own devices. (It is an amusing thought to speculate on what the new industry secretary would have made of the pro-Sotheby's lobby when the felt manufacturers first made their unwelcome approach. One suspects he might have been somewhat less sympathetic than his predecessor.) But while Mr Fletcher may be making all the right reassuring noises, he has hardly given up the Government's prerogative to intervene. The Director General of Fair Trading may play an "essential role" in analysing each case and in most cases ministers will follow his advice, says the minister, but "ultimately ministers have no option but to weigh the issues for themselves". The system for considering competition is "essen-

tially discretionary" and "there are few rules". The system is designed to allow ministers to "take the decisions that seem to them right in the circumstances." This of course is precisely what Lord Cockfield was all about. After Sotheby's, the Royal Bank of Scotland and House of Fraser, to name but a few, it will need a consistent record of sensible government decisions to convince the sceptical businessman that ministerial talk about the need to avoid "capricious" decision-making is anything but pious waffle.

'Unfixing' the commissions

The new rules proposed by the Stock Exchange Council for dealing in overseas shares are a welcome first step in the dismantling of fixed commissions generally. Certainly, not making them enforceable until next March gives members plenty of time to review their future policy.

But the move is peripheral to the central problems involving the total removal of fixed commissions. What the announcement does not deal with are the levels of equity to be sold in International Dealers to non-member companies and the amount they should pay for the privilege of financing brokers trading in overseas securities.

The first problem is where smaller companies will get the money to trade. Total world equity capitalisation shows the United States accounting for 65 per cent, then Japan with 15 per cent and Britain with 6 per cent. A transaction of 100,000 shares in New York is small so to deal realistically, firms will need large amounts of capital. To trade as a principal or market maker will involve owning millions of shares and in that case capital needs will be enormous. Even the British brokers think twice about such a policy - which goes some way to reveal why the big finance institutions like Exco International are invited into negotiations to buy stakes in the new International Dealers.

BTG may opt for buyouts

The Government is considering selling parcels of share stakes owned by British Technology Group to the companies own managements as one of a series of options to wind down BTG's investment role. The buyout alternative is favoured by the Government as the quickest method of disposing of BTG's holdings to 61 companies with an asset value of £152m. This month BTG was told that it would have to sell its stakes in the companies and abandon its investment role to concentrate on the transfer of technology from the innovation stage to commercial use. A final decision on exactly how the BTG will be funded in future and how quickly its assets have to be sold will be taken once a successor has been appointed. Frederick Woollam, BTG chairman, said yesterday that he expects a decision on Sir Frederick's successor within the next few weeks. He expects the Government to produce details of how BTG should remain self-funding and yet carry out the technology transfer by early next year. The decision on the disposal of assets, including BTG's stake in Inmos, the microchip manufacturer, will be taken once these guidelines are ready. Both the National Research Development Corporation and the National Enterprise Board, which produce separate accounts within the BTG stable, made profits last year.

Shares rally after losses

New York (AP - Dow Jones) - Shares held their gains in a modest rebound in early trading yesterday after two days of losses. The Dow Jones Industrial average was up about 2.5 points at 1,249 and the transportation average was up about 5.2 at 589. Advancing issues were 7-to-6 over losers. Trading was active. Digital Equipment was down 4% at 67 1/2, American Telephone & Telegraph down 1 at 62; Raytheon up 1 1/2 to 44 1/2; Zenith up 2 1/2 to 33 1/2; Brunswick Corp up 1 1/2 at 51 1/2; Cray Research up 2 1/2 at 50; Waste Management down 1 1/2 to 40 1/2 and AMR UP 1/2 to 31 1/2.

Insurers attack 'unfair' European advantage Allianz bid angers UK firms

The Allianz bid for Eagle Star yesterday raised the hackles of British insurers, who are severely restricted from business in West Germany - and coincidence with a survey from the Committee on Invisible Exports on trade barriers. The committee's survey, which is being studied by the Department of Trade and Industry has been conducted over three months, taking evidence of business trends and the overseas potential from all its members. Mr William Clarke, its director general, said yesterday: "We have been asking where the shoe is pinching, by seeking firm examples of obstacles." A package of complaints and proposals will be prepared for the next ministerial meeting of the General Agreement on Tariffs and Trade in a year's time, with case histories that the department is collecting from trade associations. It is hoped that these will be multilateral negotiations, to pave the way for liberalization of trade in international services such as banking, insurance, shipping, aviation, consultancy and data transmission - a move initiated by the US at last year's ministerial meeting. The EEC insurance market remains the most contentious subject. British companies are angry that the German company should be able to take advantage of the freedom of the London financial market when it is almost impossible for them to take over companies in some other European countries.

NET ASSETS UP £80 MILLION SINCE MARCH 1983. Total net assets increased from £947m to £1,027m (+8.4%) in six months to 31st August. Over 1,000,000 new shares issued in this period to meet international investors' demand. Drastic switch from dollar and sterling investments into Dutch guilders (38%) and deutschemarks (38%), at the present time. Share price up from Fls 185.40 at end of February to Fls 196.50 (£44 1/2) on 10th October, an increase of 6%. RORENTO The Bond and Currency Trust in the Robeco Group.

COMPANY NEWS IN BRIEF

William Low & Co Year 23.5m to 33.83 Pretax profit 23.9m (£3.3m) Stated earnings 35.57p (£3.14p) Turnover £118.8m (£118.8m) Net dividend 8.6p (8p)

INVESTORS' NOTEBOOK edited by Michael Prest Gold loses lustre as income prospect

Gold's \$4 fall yesterday to just below \$390 an ounce gave an ironic counterpart to the gold mine results from Anglo American's properties.

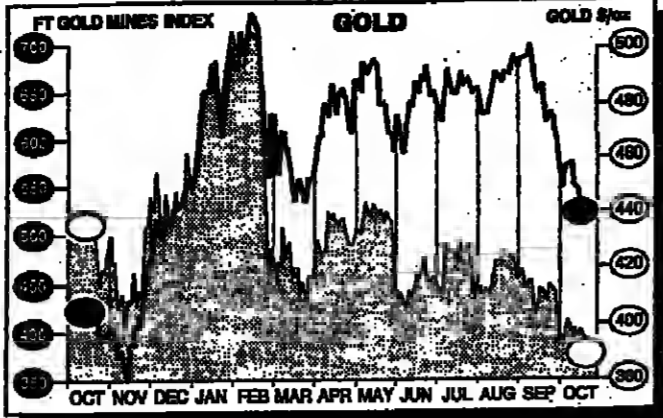
The aftertax profits of the mines were a mixed bag, the most noticeable feature being the sharp fall for the quarter from R107, (63.5m) to R82m at the mighty Vaal Reek.

But with the evidence of Gemcor and Barlow Rand, it is clear that nobody is likely to buy South African gold mines for income at the moment.

The final dividends were Free State Geduld 215 cents, President Brand 220 cents, President Steyn 255 cents, and Western Holdings 325 cents.

Only the first of these was higher than for the same period last year. Gold mine yields are averaging about 8 per cent, a far cry from the heady days when investors expected to see a full return on their capital in five years.

More than that, there is little prospect for several months of the mines raising their income much faster than inflation. The latest figures are the first to incorporate the wages increases which came into effect on July 1, and prices increases generally are still running much faster in the republic than the authorities would like.



FT GOLD MINES INDEX GOLD GOLD \$/oz OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT

Against that, the mines benefit - indeed are saved - by the depreciation of the Rand. Thus, the average gold price received by Anglo's Free State mines in the quarter to the end of last month was 23 per cent higher at R15,405 a kilogramme even though the dollar bullion price declined.

The state has a particular interest in floating the Rand because it preserves tax income from the mines, especially those which have high marginal tax rates. Meanwhile, the Rand should appreciate against the dollar when the gold price rises.

On balance, however, mine profits will be determined by the gold price rather than anything the mines can directly influence themselves. To their credit, cost increases have been contained to about 7 per cent in the recent quarter. But gold shares still seem to be rated on a gold price of \$450, and despite the sharp fall in the gold mines index may still weaken further. Whichever view one takes, gold shares are only attractive at the moment for capital gains.

pretty academic and do not need much analysis while it is sitting on oil discoveries through its one third interest in the consortium with Gulf and Unionoil Ireland.

If the next well is a disaster things may look rather different. Until then, it is high risk, high reward stuff.

Ironically Atlantic Resources is still suffering from over-capacity in the gas market and it is likely to be next year before gas is sold at a satisfactory rate in the US.

Appraisal work on oil discoveries requires extra finance, but the company says there will be no call on shareholders. The jump in losses stems largely from higher interest charges.

Atlantic Resources

Atlantic Resources Half-year to 30.6.83 Pretax Loss £2515,000 (£385,000) Turnover £235,000 (£234,000) Share price 54p

Even allowing for natural optimism on the part of the Irish, the real prospect of self-sufficiency in oil from the finds in the Celtic Sea is being taken seriously in London. But until the appraisal wells have been drilled and the field proven, the market is likely to remain a speculative trading one.

Analysts in London like what they have seen so far but want to see more before they make a final judgement. Atlantic Resources discovery in Block 49/9 in August is expected to be followed by another quite soon - probably this year, if the Gulf drill ship moves straight on to the next location. Atlantic Resources results are

Sound Diffusion

Sound Diffusion's business appears to be set on an astonishing growth track that it is a wonder no other company has followed its recipe for renting sound, catering and laundry equipment.

Pretax profits in the first half of this year rose from £1.4m to £2.3m and look set to top £3m for 1983 as a whole against £3.25m last time.

The company is reticent about the amount of new rental business it is likely to win this year, now that the sales force has grown to 100 - 50 per cent higher than a year ago. Current results come nowhere near reflecting the huge growth in new, high quality rental business. The order book is much bigger than all last year's installation work put together. But the real boost for Sound Diffusion begins to materialize in 1985, when a number of big rental contracts revert from lease back to the company's own account.

Quest Automation

Quest Automation Half-year to 28.2.83 Pretax loss £3.5m (Loss £2.8m) Stated loss 24.97p (21.99p) Turnover £11.4m (£10.1m) Net total dividend nil p (Nil p)

Quest Automation, the computer aided design group, at last seems to have put the unhappy experiences of the last few months behind it with a return to profit in the first six months of the year. The improvement in pretax results comes after a sharp reduction in research and development expenditure from £85,000 to £132,000. Results for the previous year,

WALL STREET

Table with multiple columns listing financial data for various companies, including names like American Express, Bank of America, and Citicorp.

The Fleming Japanese Investment Trust plc

The company's policy is to specialise in investment in Japan aiming to achieve the best overall return to shareholders which will be attained largely through capital growth.

Table with 4 columns: Highlights of the year to 31st July, 1983, 1982, % change. Rows include Total Assets, Net Asset Value per Ordinary Share, and Ordinary Share Price.

97% of total assets are now invested in Japan. The expectation of strong corporate profit performance together with the outlook for the Japanese economy, currency and stockmarket over the next year justifies the company's geared exposure to the market.

Copies of the Annual Report and Accounts are available from Granby Registration Services, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Table of COMMODITIES prices including RUBBER, SUGAR, COFFEE, and various metals like COPPER and ZINC.

Advertisement for 'Blasted Heath' featuring a cartoon by Michael Heath and 'The Spectator' 75p weekly.

Advertisement for 'Base Lending Rates' listing rates for various banks like ABN Bank, Barclays, and Citibank.

Advertisement for 'Western Mining Corporation Holdings Limited' including details about share options and contact information.

Large advertisement for 'Conran Associates. Marketing by design.' featuring a satellite dish graphic and contact details.

Advertisement for 'TELEFUSION plc' with a headline 'This has been a record year... growth opportunities exist in our industry.' and financial results table.

Advertisement for 'Gerrard & National' with an 'INTERIM STATEMENT' detailing financial performance.

Advertisement for 'LANCEL PARIS' with the headline 'BE OUR AGENT' and contact information for a French company.

Lord Ezz elected BSI chief

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APPOINTMENTS

Lord Ezra elected BSI chief

British Standards Institution: Lord Ezra has been elected president, to succeed Sir Frederick Warner who is retiring.

Reed International: Mr Colin Barker has become a non-executive director from November 1. He succeeds Mr Howard Macdonald who is taking up a post as chairman and chief executive of Dome Petroleum.

The Post Office: Mr Bryan Roberts has been made director of the Postal Pay and Grading Department.

More O'Ferrall: Mr Peter Hall, group company secretary, is joining the board from November 1.

A. I. Industrial Products: Mr David Valentine has become group managing director.

Richards Hogg International: Mr John R. Abern will be admitted into partnership from November 1.

Imperial Continental Gas Association: Mr Ebenezer Gutt, Mr Jim L. Stretch and Mr Brian H. Wilnot have been appointed directors.

Allied Breweries Management Services: Mr Mike Connolly has been appointed sales and marketing director.

Newman Industries: Mr Robert Crawford has become non-executive director and will represent the United Kingdom Temperance and General Provident Institution.

United Cable Programmes: The following appointments have been made: Mr P. H. Taylor, marketing and sales controller; Mr A. N. Singer, head of acquisitions, programme department; Mr N. J. Lake, head of programme planning and Mr D. J. Chapman, traffic and operations manager.

Clive Cookson on increasing transatlantic competition to provide financial news

Screen challenge for Reuters' market information service



Data bank: Reuter monitor screens at the Bank of America in London

Telerate, the New York-based but British-owned financial news, is making an increasingly aggressive push into the non-American markets dominated by its leading rival, Reuters.

The latest move is the appointment of Telerate's senior marketing executive, Mr John Jessup, to take charge of its drive into Europe, the Middle East and Africa.

Mr Jessup, a former Reuters journalist and salesman who switched sides in 1978, becomes managing director of the new British subsidiary of AP-Dow Jones/Telerate.

This partnership, owned 49.9 per cent by Telerate and 25.05 per cent each by the Associated Press and Dow Jones, has been established to sell Telerate services outside North America.

It supercedes an arrangement that gave Dow Jones exclusive distribution rights.

The growing transatlantic competition makes some City analysts doubt the valuations of £1,000m or even £1,500m being bandied about for Reuters' proposed stockmarket floatation (leaving aside the question of whether its owners can agree on a formula for the sale).

There are significant differences in the style and content the companies offer. For Reuters to justify a ten-figure price tag, there must be a good prospect of its achieving £200m pretax profits with a very few years. Last year's figure was £36.7m, compared with £16.7m in 1981. Reasonable estimates for 1983 and 1984 would be £55m and £80m, respectively. So, a valuation of around £750m could perhaps be justified - 28 times this year's prospective taxed earnings.

On the other hand, £1,000m for Reuters seems almost modest in comparison with the \$900m (£600m) capitalization achieved by Telerate when it was floated on the New York Stock Exchange in April. That was more than 50 times the past year's earnings.

Since then Telerate stock has held close to the \$20m offer price. However, shares in Exco, which owns 51.5 per cent of Telerate, have slid from their springtime peak of 753p to about 540p. At that level Exco's total capitalization is no more than the value of its Telerate stake. (British and Commonwealth Shipping holds another 13.3 per cent of Telerate.) Telerate's most recent results

showed net income up 76 per cent to \$13.9m for the nine months to June 30. Revenues were 60 per cent higher at \$47.1m.

Reuters still has a much more extensive information network than Telerate. Indeed, it is said to have the second largest communications system in the world, after the American Department of Defence.

Counting terminals, Reuters' worldwide total of 34,000 compares with Telerate's 11,000. In North America, Telerate leads by about 8,000 to 6,000.

On Reuters' home ground, London, Telerate already has 1,250 terminals; Britain is Telerate's largest market after the United States. Mr Jessup said: "I think we have all the merchant banks in London, except one."

services offered on the Telerate Network and the Reuter Monitor. Many institutions have both terminals.

Telerate's range is considerably narrower and is still based largely on the American financial markets. It competes directly with Reuters on US bonds, money market and foreign exchange quotations.

Reuters remains unchallenged in fields such as commodities, Eurobonds and share prices.

Of course, several other organizations on both sides of the Atlantic disseminate computerized financial information on a more limited scale. Exel, Datastream and the Stock Exchange (Topic) are London's main examples.

But Reuters and Telerate executives believe that their core services are safe from serious penetration by third parties.

"I think Reuters and we have such a head start in the markets we serve that it will be extremely difficult for more competitors to come along," Mr Jessup said.

The reasoning behind this apparent complacency is that Reuters and Telerate have sewn

In North America Telerate leads by 8,000 terminals to Reuters' 6,000

up the most important information sources in their markets. They get their key financial data free from clients, who receive a comprehensive information service in return.

As Telerate's London Broker Griesevon Grant, put it in a recent circular: "The customer would have to obtain some very significant advantage to want to contribute to a third system and have a third terminal on his desk."

Financial notebook Consternation over US state of limbo

President Reagan has had 1,000 days in the White House. But America's closest allies are not at all certain who is in charge on economic and trade issues.

At this critical point in the Administration - when uncertainty abounds over the President's plans and forthcoming elections - there is no one person or group of persons other than Mr Reagan apparently able to take a firm decision on the more pressing matters of the day.

The erratic dollar, continuing high inflation rates, the high United States budget deficits, East-West trade tensions, growing protectionism in the steel and car industries among others, and conflicts with the European Community are some of the unresolved problems which remain persistent worries despite the American recovery.

Indeed, the only person who has direct, albeit independent, authority, to alter the course of the economy is Mr Paul Volcker, the veteran chairman of the Federal Reserve Board, America's central bank.

Given the stalemate between Congress and the Administration over fiscal policy, and the lack of movement in the Administration on other substantial issues, Mr Volcker's economic show is the only one in town playing to sold-out audiences.

Every utterance of the tall, bespectacled central bank chairman is dissected for some sign of a shift in policy which will drive interest rates up or down over the next year and half. Monetary policy is expected to be the only discernible policy until after the presidential elections.

This state of limbo is cause for consternation not only among American's political and financial rank and file but also among her closest allies. Her allies fear that a year and a half of inaction on these pressing problems could harm their own chances for sound, durable recoveries.

A high-level British official recently was told by an embassy specialist before his talks with members of the Reagan Cabinet not to expect anything of a substantive nature.

"I was told that nothing is going to happen until after the 1984 elections. Can this be true?" he asked. The answer was unhappily "yes".

Some Administration officials will even admit this in private conversation. "We're already operating on an election schedule. The White House is focused on the election and that's what matters," a US Treasury official said recently.

Without a firm "go" from the White House, the rest of the Washington bureaucracy is virtually paralyzed. This is particularly true in the economic and trade area.

Mr Martin Feldstein, the President's chief economic adviser, is reportedly on his way out.

Mr William Brock, the Trade Representative, and his staff of specialists have been thrust into an internal power struggle with the Commerce Department which has left their status unclear.

The apparent winner in this struggle to merge the commerce and trade functions into one super agency was Mr Malcolm Baldrige, the Commerce Secretary, but he has made clear that he is a loyal soldier who does what he is told by the White House.

And where is Mr David Stockman, the formerly visible director of the Office of Management and Budget, whose staff is already gearing up for work on the 1983 federal budget?

Anyone in the Administration has power to take a decision it is Mr Donald Regan, the Treasury Secretary. But he is already campaigning for the President with a back-breaking schedule which leaves little time for other matters.

In the end, what all the confusion points to is the need for some pre-election transitional group or mechanism with authority to keep matters rolling along while others are preoccupied with the election. The Administration is attempting to fashion such a group in the foreign policy area, with particular focus on the Middle East. A similar group in the economic and trade area would also be helpful.

Bailey Morris

Table with multiple columns: Authorized Units & Insurance Funds, listing various financial instruments, their values, and other details. Includes sub-sections for 'Authorized Units' and 'Insurance Funds'.

MARKET REPORT by Michael Clark N Sea shakeout forecast

It looks as though the bubble is about to burst for many of our smaller oil exploration companies. According to a report out today...

Elsewhere, the rest of the equity market was staging a long awaited technical rally as a few buyers appeared on the scene...

The threat of cheap overseas imports still exists, despite the latest efforts of the European Community...

Shares of A. J. Wertheim (Holdings) the textile group advanced 7p to 30p...

Francis Industries, the engineering group, improved 1p to 77p...

Meanwhile, the Kuwait Investment Office now owns 2.2 million shares in Powell Duffry...

The London Trust has reduced its holding in Myson Group with the sale of 2 million shares...

RECENT ISSUES table with columns for company name, price, and change.

BRITISH FUNDS table with columns for fund name, price, and change.

COMMONWEALTH AND FOREIGN table with columns for country, price, and change.

LOCAL AUTHORITIES table with columns for authority name, price, and change.

DOLLAR STOCKS table with columns for company name, price, and change.

BANKS AND DISCOUNTS table with columns for bank name, price, and change.

BREWERIES AND DISTILLERIES table with columns for company name, price, and change.

COMMERCIAL AND INDUSTRIAL table with columns for company name, price, and change.

Table of oil exploration companies with columns for company name, price, and change.

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Vertical advertisements on the right margin including 'Crov into', 'the citi', 'Cattlin not on Melia', and 'Writ in'.

THE TIMES 1000 1982/1983 The World's Top Companies

Table of the world's top companies with columns for company name, price, and change.

Table of shipping companies with columns for company name, price, and change.

Table of financial trusts with columns for company name, price, and change.

Table of insurance companies with columns for company name, price, and change.

Table of investment trusts with columns for company name, price, and change.

Sterling: Spot and Forward

Table of sterling spot and forward rates for various currencies.

Money Market Rates

Table of money market rates for various financial instruments.

Other Markets

Table of other market rates including gold and dollar spot rates.

Dollar Spot Rates

Table of dollar spot rates for various countries.

Euro \$ Deposits

Table of Euro \$ deposit rates for various banks and terms.

Gold

Table of gold prices and market information.

Handwritten text at the bottom center of the page.

FOOTBALL: SLEEPLESS NIGHTS LIE IN WAIT FOR LIVERPOOL, HAMBURG AND RANGERS

Crowned heads of Europe nod into the arms of Morpheus

Cracks have appeared in the security systems of the traditional European Cup strongholds. For the last decade the most prized Continental trophy has been kept within the vaults of England and West Germany...

By Stuart Jones, Football Correspondent
slumber during a second-round tie that was held up for three minutes, they must now score four times without reply at home to Dynamo Dresden...

Rangers return looking frail

By Hugh Taylor
Considering the tribulations which have afflicted him in a traumatic season, John Greig was surprisingly philosophical...

Authoritative Miss Durie takes chances to reach last eight

By Rex Bellamy, Tennis Correspondent
Susan Barker and Joanna Durie, Britain's last challengers for the singles title, have produced exciting performances on consecutive days...



Joyous Catherine Tanvier. (Photograph: Chris Cole)

Jausovec. The difference yesterday lay largely in the fact that Miss Jausovec played three hours and 40 minutes of singles and doubles...

Why the sky-blue strip of Manchester has a McNeill tartan border

The citizens may yet come to praise the still ambitious Caesar

When Peter Swales met Billy McNeill in Carlisle a few months ago in his search for Manchester City's fifth manager in almost as many years, the talk inevitably turned to the question of money for the purchase of new players in the second division...

Cups and five League Cups, he retains a refreshing belief that to any sensible player the game is more important than the money. 'Maybe the money matters but there has to be a balance'...



McNeill: a trump card called patience

Nicholas and Paul McStay. These players carry some of Scotland's World Cup ambitions in a team eliminated from the European finals. McNeill rightly considers that the European Championship is often an impediment to international managers...

Ballesteros falls prey to trigger-happy hunters

From a Special Correspondent, Malaga
very nearly finished the day in the lead. Ahead of him on 67 were Ireland's Eamonn Darcy...

All square when it was all but lost

Joe Johnson and Willie Thorne showed their fighting qualities to save themselves in their respective Professional Players snooker tournament semi-finals at Bristol yesterday...

Cattlin not to be drawn on Melia resignation

Brighton are unlikely as yet to appoint a manager to succeed Jimmy Melia, who resigned on Wednesday five months after leading them to the FA Cup final. The chief coach, Chris Cattlin, will have full responsibility for team selection and playing staff...

The lonely road from Brentford for Harris

Ron Harris has lost his job as player-coach at Brentford, a few days after leading the third division club's Milk Cup challenge against Liverpool, the champions. A statement from Brentford read: 'Following the resignation of Brentford chairman Martin Lange and player-coach Ron Harris this morning, the association of Harris and the club has been terminated by mutual consent'...

Eastoe's goal is in vain

Peter Eastoe, on loan from West Bromwich, scored his first goal for Leicester City in a 1-1 draw with Doncaster on Saturday night but they stayed bottom of the Milk Cup, trailing 4-1 for next week's second leg at Anfield.

Roberts will miss first Test

Kanpur (Reuters) - Andy Roberts, the West Indies fast bowler, sustained a back muscle during practice yesterday and will miss the first Test against India, which starts today. West Indies include in their 12 top uncapped players, Roger Harper and Eddie Baptiste...



Roberts: back injury

Writ in lieu of written word

By Paul Newman
Don Masson, dismissed as manager of Kettering Town, is planning to sue the Alliance Premier League club for what he claims has been a breach of contract. The former Notts County and Tottenham midfielder, who was appointed manager only six months ago, claims he has a 'verbal agreement' with the Kettering chairman, John Murray, who admits he did not have a written contract.

Outlook for Cowans is brighter

Gordon Cowans, the Aston Villa and England midfielder player, who is recovering from a broken leg, hopes to play reserve team football by early December. Villa, who gained an impressive 2-2 UEFA Cup draw against Moscow Spartak, learnt on their return from the Soviet Union that Cowans was making better progress than expected after breaking his right leg in a pre-season game in Spain.

Wednesday's results

FIRST DIVISION: Norwich City 3, Leicester City 1. SECOND DIVISION: Cardiff City 1, Newcastle United 1. THIRD DIVISION: Oxford United 2, Bradford City 1. FOURTH DIVISION: Hartlepool United 1, Chester 1. Haverhill United 1, Darlington 0. OLIVIERO GAMES (Qualifying matches): Aston Group Thame 1-0, Watlington 1-0. BURNHAM LEAGUE (Qualifying matches): Burnham 1-0, Watlington 1-0. BURNHAM LEAGUE (Final): Burnham 1-0, Watlington 1-0.

Boycott saga continues Full speed ahead

Worcestershire have not ruled out the possibility of offering Geoff Boycott, who has been dismissed by Yorkshire, a contract in 1984. Their cricket committee discussed signing Boycott during a meeting lasting three hours 40 minutes on Wednesday evening. Mike Vickins, said: 'Whilst the committee believe that there is still a need to sign an experienced player, they do not anticipate making any commitment towards him in this direction. He refused to be drawn any further. It seems possible that Worcestershire may be awaiting the outcome of efforts by Boycott's supporters to have the player reinstated at Yorkshire, before deciding whether to make an approach'.

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RACING: DICKINSON TO COMPLETE DOUBLE WITH FORMER IRISH STEEPLECHASER

The Mighty Mac set to show old zest again

After a spring, summer and autumn... David Nicholson won the Hedges Hurdle last year... The Mighty Mac is set to show old zest again...

Cauthen reaches century in style

Steve Cauthen continued his golden 1984 by leading a double for Ian Baiding on Insular and Elegant Air... Cauthen reaches century in style...

Promise of more money

Two of Britain's athletics governing bodies have voted £25,000 of their profits toward improving the country's athletics facilities... Promise of more money...

Dickinson appeal

The connections of Tolomeo, relegated from second to fourth place in last year's Dubai Champions Stakes... Dickinson appeal...

Tolomeo appeal

The connections of Tolomeo, relegated from second to fourth place in last year's Dubai Champions Stakes... Tolomeo appeal...

Carlisle NH

2.15 ORTON CONDITIONAL JOCKEYS... Carlisle NH...

Rugby League

19 UDD - Faldor BT 6-10-0... Rugby League...

Maoris will stretch the amateurs

The weekend's bristles with international competition... Maoris will stretch the amateurs...

Newbury

Tote: Double 2.45, 3.46, Treble 2.15, 3.15, 4.15... Newbury...

Newbury

Tote: Double 2.45, 3.46, Treble 2.15, 3.15, 4.15... Newbury...

Ludlow

1.30 PRESTIGE HURDLE (selling)... Ludlow...

Rugby League

19 UDD - Faldor BT 6-10-0... Rugby League...

Maoris will stretch the amateurs

The weekend's bristles with international competition... Maoris will stretch the amateurs...

Doncaster

Draw advantage: high numbers best... Doncaster...

Newbury

Tote: Double 3.0, 4.0, Treble 2.30, 3.30, 4.30... Newbury...

Newbury

Tote: Double 3.0, 4.0, Treble 2.30, 3.30, 4.30... Newbury...

Newbury

Tote: Double 3.0, 4.0, Treble 2.30, 3.30, 4.30... Newbury...

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Today's fixtures, football, and other sports news.

BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM

IN MEMORIAM (W&R)

HOLIDAYS AND VILLAS

SKI BEACH VILLAS

SKI BLADON LINES

BLADON LINES TRAVEL

RENTALS

RENTALS

SITUATIONS WANTED

BIRTHS

ANNOUNCEMENTS

OCTOBER/NOVEMBER HOLIDAY BARGAINS

AUSTRALASIA AND WORLDWIDE

CELEBRATIONS

RENTALS

RENTALS

RENTALS

SITUATIONS WANTED

DEATHS

LOW COST FLIGHTS

FLIGHT BARGAINS

WINTER SPORTS

RENTALS

RENTALS

RENTALS

RENTALS

SITUATIONS WANTED

DEATHS

ANNOUNCEMENTS

FLIGHT BARGAINS

WINTER SPORTS

RENTALS

RENTALS

RENTALS

RENTALS

SITUATIONS WANTED

DEATHS

ANNOUNCEMENTS

FLIGHT BARGAINS

WINTER SPORTS

RENTALS

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DEATHS

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FLIGHT BARGAINS

WINTER SPORTS

RENTALS

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RENTALS

SITUATIONS WANTED

DEATHS

ANNOUNCEMENTS

FLIGHT BARGAINS

WINTER SPORTS

RENTALS

RENTALS

RENTALS

RENTALS

SITUATIONS WANTED

TO PLACE YOUR BUSINESS

COMMERCIAL SERVICES

ONESTOP

DATALEX

COMPANIES IN TROUBLE

FURRIERS

YOUR OWN BUSINESS

BUSINESS OPPORTUNITIES

NATURAL HEALTH

YOUR OWN COMPANY CALENDARS AND DIARIES

FACT 1 IN 5 OF THE PEOPLE registered blind each year under the age of 65, go blind because of it.

DIABETES Join - Help us - Support us BRITISH DIABETIC ASSOCIATION

Retired? Your know-how is needed!

WANTED

CHRISTMAS CARDS

MARKSON PIANOS LOWER THE HIRE

WANTED

CHRISTMAS CARDS

RESISTA CARPETS AUTUMN SALE NOW ON

WANTED

CHRISTMAS CARDS

MARKSON PIANOS LOWER THE HIRE

WANTED

CHRISTMAS CARDS

MARKSON PIANOS LOWER THE HIRE

WANTED

CHRISTMAS CARDS

MARKSON PIANOS LOWER THE HIRE

WANTED

CHRISTMAS CARDS

MARKSON PIANOS LOWER THE HIRE

WANTED

CHRISTMAS CARDS

MARKSON PIANOS LOWER THE HIRE

Wilson's Excelsior HASTY FOR SALE

